Moorepay
User Guide

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SECTION 1 - USING THE MOOREPAY SYSTEM

HOW TO USE THIS USER GUIDE

This section is intended to give an overview of the use of the Moorepay system. The rest of the guide is for reference purposes.

MOOREPAY PAYROLL TIMETABLE

Payrolls may be submitted to Moorepay on any working day. Input received by 1pm will be processed and despatched by close of business the same day. Data received **after** 1pm will be processed and despatched the following day.

WHAT WE DO AT THE PROCESSING SITE

When payroll input is received at the processing site it goes immediately to the Data Preparation Department. Our data entry operators key very fast and will key exactly what they see. Therefore it is **your responsibility** to submit correct data. To assist you with this we have applied input rules to help keep the process as simple as possible (see Presentation of Input).

Your company parameters (initially set up with your Moorepay implementor) are the bespoke parameters that your payroll processes against. If you need to amend your company parameters you must contact the Moorepay Helpdesk at least five working days before the payroll input is submitted. This will ensure that the program changes are made and confirmed back to you before the input for the next payroll run.

WHAT YOU SHOULD CHECK WHEN YOU RECEIVE YOUR OUTPUT

• Using the details in the box on the “header” page of your output check that you have all the documents in the bag that it says have been printed. If anything is missing contact the Moorepay Helpdesk immediately.
• Check that the tax period on your payroll copy is correct.
• Check the ‘balance control’ sheet. The total brought-forward figures and the total carried-forward figures from your previous run should be identical. If you have transferred any employees, ensure that the transferred balances have been included in the ‘Amendment In’ column.
• Check your ‘input list and error report’ for comments relating to rejections and/or exceptional conditions and take the appropriate action.
• Check your own internal batch controls of values and quantities (if applicable) against the totals given on the Payroll Company Totals sheet.
• Check the details for each New Employee by referring to the employee Record Card.
• Check, if you are using BACS, that the processing date on the BACS listing is correct and that the Company Bank details have not changed, if the details shown are incorrect contact the Moorepay Helpdesk immediately.
• Check your BACS acceptance report provided by your company bank.
Please note: input forms sent to Moorepay are not returned with output documents, therefore you should retain a copy for audit purposes/official inspections.

PRESENTATION OF INPUT

• Each separate payroll must be accompanied by a completed Moorepay Header placed on the top of all other input forms.
• If you have any queries relating to your input that you have been unable to resolve please contact the Moorepay Helpdesk BEFORE submitting your payroll input.
• Do not put notes on your payroll as the data goes straight into the data preparation department. Any hand written notes will cause your payroll to be referred to the Helpdesk and your payroll will not be processed until we can make contact with you.
• Your payroll reference and the tax week/month number should be put at the bottom of each input form in the space provided.
• All figures should be written clearly. All letters should be printed in capitals.
• Negatives should be enclosed in brackets ( ) with a minus sign ‘‘-’’ preceding. Eg: - (2730) Do not use dashes where there are no pounds or pence as they could be keyed as minus signs.
• An entry of ‘0’ in a column is regarded as a change to zero.
If you wish to blank out an alpha field, a space needs to be entered: this is done by writing an upside-down triangle. Date deletions must be entered as ‘‘000000’’
• Values are entered in WHOLE PENCE £100 is written as 10000
• Decimal points must ONLY be used or written for fractions of a penny (or percentages).
• Dates must always be entered as six numeric i.e. 6th September 1962 would be entered as 060962.
• Descriptive codes must be written exactly as defined on your Permanent Amendments List and Temporary Adjustments List printed with your payroll each run. If a code has not been set up the processing of the payroll will reject the entry.
• There can be confusion between 0, 1, 2 and 5 (numbers) and O, I, Z and S (letters). The numbers should always be written simply, the letters always have something added:

O has an oblique through it	Ø
I is topped and tailed	I
Z has a dash added to its waist	Z
S has a vertical line added to look like a dollar	$

• Hours must be entered as hours and minutes on all input fields (unless the decimal hours option has been established for your company). Do not enter a decimal point.
• Only ONE timesheet OR one line on the Timesheet and Temporary Adjustments form is allowed for each employee for each pay period unless SPECIAL arrangements have been made. Different rules apply to Job Sheets on Job Costing type payrolls. See Section 2 for the entry of **HOLIDAY TIMESHEETS**
• The rules for 2- and 4-weekly payrolls are the same as for weekly payrolls except where stated otherwise. These payrolls are weekly payrolls multiplied by 2 or 4 therefore regular payments, regular deductions and normal hours and days etc. must be quoted as per individual week.

The forms are your only method of communicating your instructions. They have been designed to make your input as convenient and efficient as possible. Adhering to the above guidelines will assist with both the speed of input and the processing of your payroll.

INPUT FORMS

Use the URL link below to access the Moorepay Payroll Input Forms. These are in a PDF format and can be printed for use. If you normally submit timesheet details using the pre-printed documents provided by Moorepay please continue to do so.

http://www.moorepay.co.uk/support.php?pageId=111

THE MOOREPAY HEADER

The Moorepay Header is a single sheet and instructs Moorepay to process your payroll. It is therefore required for each payroll submission and your payroll will not be processed without it.
A Moorepay Header must accompany the input forms you are submitting. One Header for each payroll reference. Its use is to quantify the data you are sending to Moorepay.
The Moorepay header must be completed to identify the payroll reference, company name and your contact details (should we need to contact you). You can also use this document to:

- Amend Department descriptions.
- Add Action Codes such as the BACS processing date
- Request any analyses

NEW EMPLOYEE – P45 or P46 STANDARD

This form is required for adding new employees, with standard P45 or P46 details. Once a new employee record is established it will remain unchanged until subsequent Permanent Amendments are made. It is necessary to allocate an employee number in the first instance (see Section 2 under **EMPLOYEE NUMBER**). Refer to the Employee Number Index returned with your last payroll output which shows all numbers currently in use including employees who have left. Use any number (of the correct length) that does not appear on this list. Please use the Guidance Sheet to ensure that you enter all HMRC mandatory fields denoted by an *. For additional information see Appendix H – EDI – Electronic Data Input.

NEW EMPLOYEE – P46 PEN AND P46 EXPAT

This form is required for adding new employees, with standard P45 or P46 details. Once a new employee record is established it will remain unchanged until subsequent Permanent Amendments are made. It is necessary to allocate an employee number in the first instance (see Section 2 under **EMPLOYEE NUMBER**). Refer to the Employee Number Index returned with your last payroll output which shows all numbers currently in use including employees who have left. Use any number (of the correct length) that does not appear on this list. Please use the Guidance Sheet to ensure that you enter all HMRC mandatory fields denoted by an *. For additional information see Appendix H – EDI – Electronic Data Input.

PERMANENT AMENDMENTS – P45 or P46 STANDARD

This form is to notify any permanent changes to an employee's record such as tax code, change of salary and date of leaving etc. To ensure that you use the correct Permanent Amendment codes please refer to the Permanent Amendments List printed with your payroll output each period and the Guidance Sheet.

PERMANENT AMENDMENTS – P46(PEN) or P46(EXPAT)

This form is to notify any permanent changes to an employee's record such as tax code, change of salary and date of leaving etc. To ensure that you use the correct Permanent Amendment codes please refer to the Permanent Amendments List printed with your payroll output each period and the Guidance Sheet.

TIMESHEET

Each payroll run can have 'temporary' pay items (i.e. items for this run only such as overtime or advances). Entries made via the Timesheet have no direct effect on the employee's record other than payment balances. The layout of your Timesheet is tailored to your individual company requirements. If the layout is no longer suitable or you require additional fields, please contact the Moorepay Helpdesk.

MANUAL PAYMENTS & CANCELLATIONS

The purpose of the Manual Payment and Cancellation form is to update the payroll system with action taken outside the payroll affecting the employee's Year to date balances and/or to ensure both the accuracy of end-of-year returns and the correct calculation of future payments.
This form can also be used in the current tax year to;

- Correct employees past pay periods
- Adjust pay items
- Amend balances including NI adjustments when an incorrect NI table has been used.

Please contact the Moorepay Helpdesk for guidance.

An audit of all manual adjustment entries are shown on the payroll listing. A payslip is printed for all manuals with the description of 'MANUAL'' against each one. The net pay method prints as ''MANL'' in the departmental summary.

TEMPORARY ADJUSTMENTS

Temporary Adjustments are used to notify one off payments or deductions that do not have an appropriate column allocated on the Timesheet. It may also be used to make adjustments to regular (permanent) additions or deductions.

Like the Timesheet (see above), entries made via Temporary Adjustments have no direct effect on the employee's record (i.e. other than payment balances). They will only effect the current pay period.

To ensure that you use the correct Temporary Adjustment codes, please refer to the Temporary Adjustments List printed with your payroll output each period and to the Guidance Sheet.

DESCRIPTION TABLES

It is possible to hold long descriptions against Departments, Pay Station codes, Analysis codes and References. These entries are set up and maintained using the Description Table form. Refer to the Moorepay Header Guidance Sheet.

TIMESHEET and TEMPORARY ADJUSTMENTS

The pre-printed Timesheet and Temporary Adjustment printed each period with your payroll output lists all live employees. It follows the agreed Timesheet layout and has space on the end to enter Descriptive Codes and temporary values.

CAR NOTIFICATION FORMS

Use this form to notify details of a new company car that has been allocated to your employee. This form should also be used to notify the date that a company car has been withdrawn as well as any amendments required to existing car details.

SECTION 2 – GLOSSARY

This section covers all the major topics relating to the payroll system listed in alphabetical order. The Moorepay Input Forms and the appropriate Guidance Sheet will also provide assistance.

ACCUMULATIVE/EXHAUST BALANCES

Statutory items are accumulated automatically in each employee's record.
There are 4 options available within the system. These will have been set up with balances to either accrue or reduce. These options are:
1) The item is accumulated automatically until April 5th and is then set to zero automatically by the Moorepay system.
2) You give the Moorepay system a starting balance (e.g. for a loan) and when each payment or deduction is made the balance is automatically reduced by that amount. The Moorepay system continues making the payments or deductions until the balance becomes zero. When the balance is zero the payment/deduction rate is then deleted.
3) The item is accumulated automatically until you decide to clear the balance. This is done by amending the balance to zero on a Permanent Amendment. The balance of the code will be shown on the Permanent amendment List returned to you with each payroll. Employee number 000 (quoted at the correct length for your payroll) would clear the balance for this element for all employees (see BLOCK AMENDMENTS).
4) You specify the tax period when the balance is to be set to zero – for example if your pension year runs from January to December your parameters can be set to clear after the December payroll run. Please contact the Moorepay Helpdesk to discuss.

ACTION RECORDS

An Action Record is a signal to the system to carry out an unusual or infrequent action. **ANAL 01- 98** Will generate payroll analysis numbers 1-98 respectively where these have been designed to print only on request. This action must also be quoted if any analyses are required on *No-Process* runs. Note - only master file information (permanent data) can be printed on a *No-Process* run. Payment information is not available.
BACSDT is the BACS processing date. This must be entered every processing run. *IMPORTANT* **-** BACS processing day is the bank WORKING day BEFORE the debit/credit day (payday) required. Beware of weekends and bank holidays as debit/credit day must also be a working day. If you make an error on the BACS date the only way it can be corrected is to recall the incorrect BACS file and rerun the payroll resubmitting the correct file (timescales permitting). The BACSDT cannot be more than 21 days beyond the Moorepay run date.
LABELS - Adhesive address labels for each employee will be printed.
LABELC - This action record followed by a date will produce adhesive labels, for live employees and leavers with a final payment, showing name, employee number and date quoted.
NOPROC - The payroll will not process a live payment run. Allowable entries are New Employees, Manual Adjustments, Permanent Amendments and P46C Car details. Analyses will be produced if accompanied by the appropriate Action Record(s) ANAL01-ANAL98. Note: If Data Files are required on a NOPROC run request the appropriate ANAL??.
MESSGE - 36 characters of narrative, including spaces and punctuation. The message will print on the payslip for ALL employees.
RESUME - This action record should only be used with the guidance of the Moorepay Helpdesk. It is used to specify the tax period number of the next payroll run when actioning holiday shutdowns.
RECORD - Will produce an employee record print for every employee on file.
TABLES - Will produce a full listing of Description Tables held for payroll and analysis printing.

ANALYSIS

These analyses are returned with your payroll and may be set:

* Automatically print every period, or
* By ''action record'' request only, or
* Automatic at end-of-year or
* Alternative end-of-year reports.

Please contact the Moorepay Helpdesk to discuss your requirements.

ANNUAL SALARY

The Annual Salary of an employee is not stored in the record as an annual salary but as a period amount. When the Per annum salary is quoted for a New Employee or on Permanent Amendment code 40 it is divided by 52 (for weekly/fortnightly or periodic payrolls) or 12 (monthly payrolls). The resulting period value for BASIC is placed into Permanent Amendment field 49 (Per Pay Period). If you quote an annual salary and a Per Pay Period amount the latter amount entered i.e. per pay period will prevail. On division, any fractions of pence are lost. For printing on record cards and analysis, the basic for the period is multiplied by 12 or 52. See also **BASIC PAY/SALARY**.

APPLIED HOURS

Please read first the section further on, headed NORMAL HOURS. In the employee's record you may optionally hold Applied Hours. If hours are not reported on the timesheet Applied Hours (if present) are used in preference to Normal Hours. This is useful where an automatic OVERTIME SCHEME is in operation and guaranteed overtime is paid, or if it is more convenient to hold on file a full period salary and normal hours for a part time employee working reduced applied *hours*, thereby leaving the system to scale down the salary to the appropriate part-time level. Applied Hours would also be quoted as per week on monthly payrolls that have opted for the 'Weekly Normal Hours' option. See **NORMAL HOURS - WEEKLY HOURS OPTION for MONTHLY PAYROLLS.**

APPOINTMENT WEEK - see DIRECTORS' N.I.

ATTACHMENT OF EARNINGS ORDERS - see Appendix E

AUTOMATIC PAYMENT - see PAY TYPE.

BACS (BANKERS' AUTOMATED CLEARING SERVICES)

We offer the option to pay your employees through Bankers' Automated Clearing Services (BACS).
On the header sheet ACTION RECORD enter the **BACSDT.** This is the processing date required for your credit transfers (i.e. **the bank working day prior to payday**). Moorepay produce a file when the payroll is processed. This is submitted to BACS where it enters the Bank Clearing System. The debit to the user's account is made on the SAME DAY as the credits to the employees' accounts.
Upon receipt of your payroll you still have the ability to cancel any credits you do not wish to process. This is done by contacting your company bank who can stop the individual payment to the receiving bank – Moorepay cannot do this on your behalf. Moorepay can only stop a complete BACS submission. It is also IMPOSSIBLE for us to withdraw a BACS file after 5.30pm on the WORKING day before your specified BACS processing day.
3 consecutive bank WORKING days are involved in the **BACS cycle** after your payroll has been processed, weekends and bank holidays are excluded.
This is the banks minimum cycle:
WORKING day 1 - INPUT day - last day the file may be submitted to BACS
WORKING day 2 - PROCESSING day - BACS date (BACS process the file through the system)
WORKING day 3 - Debit/Credit day - payment day (monies are paid into employees banks)
Note: your payroll must be processed at least one working day prior to Working day 1 of the BACS Cycle. If your payroll cannot process until Working day 1, refer to **Same Day BACS.** You cannot process your payroll more than 21 days before the processing date required.

Same Day BACS

BACS require 3 working days to process a BACS file from INPUT DAY to PAYDAY (debit/credit day).Therefore in order to achieve payday the payroll needs to be input to Moorepay the working day prior to the BACS input day. A 'Same Day BACS; is required if Moorepay are required to process the payroll and input the BACS file on the same day. Please contact the Moorepay Helpdesk if a Same Day BACS is required for a payroll run.

Applying for a BACS User Number

- Contact your company Bank and request a BACSTEL-IP Indirect Submitter form to be processed by Moorepay Limited who are registered Bureau User. The Moorepay Bureau number is B01001.
- Complete this form with all relevant details such as your company's short name, account number and credit limit. Please note the credit limit you choose is between yourselves and your bank. If your credit limit is exceeded without you giving your bank prior warning BACS may reject your payment file. The completed form should be submitted to your bank who will forward it to their BACS department who will then issue you with a BACS Indirect User Number.
- Once you have received this number from your Bank you need to notify the Moorepay Helpdesk in writing of your BACS Indirect User Number, your company bank sort code and account number. Moorepay will update your payroll parameters with these details and your payroll will be set to use BACS for the following payroll run.
- Before processing your first payroll on BACS: ensure that you check that all employee bank details are correct, their method of pay is set to 'T' for bank transfer (see **BANK DETAILS**) and the **BACSDT** is entered on the Moorepay Header.
- Any change to BACS registration details made by your company **must** be notified to Moorepay **immediately** in writing. If you are changing company banks the BACS user number **must be linked** to your new bank details. Any discrepancy between details held by us and those held by BACS may result in your payment file being **REJECTED**.

We recommend that if using the BACS facility you should obtain a copy of the Users Manual prepared by BACS from your Company bank.

BANK DETAILS

If payment to an employee is to be made by BACS enter the following details on a New Employee or Permanent Amendment:

- Net Payment method (code 50) set to T for Transfer.
- Bank Sort Code (code 55) the employees' 6 numeric sorting code.
- Bank Account Number (code 56) the employees' 8 numeric account number.
- Account (BACS) Reference (Code 57) building society roll number (see **BUILDING SOCIETY ACCOUNTS**)

Bank Name (Code 58) not required unless it is needed to print on Record Cards.
Bank Branch (Code 59) not required unless it is needed to print on Record Cards.

BASIC HOURS

The hours entered on a timesheet that will multiply by the basic hourly rate to give BASIC pay. If basic hours are not supplied on the Timesheet then NORMAL HOURS or APPLIED HOURS may be used from the employee record instead.

BASIC PAY/SALARY

BASIC is the most fundamental payroll element within the Moorepay system. Employees' are paid according to a contractual basis of either:

Salaried

The employee is paid a fixed salary per period based on an agreed number of working hours for the week or month.
These employees are paid BASIC automatically each period. No additional input instructions are necessary. Their salary will be entered into the system either as a Per Annum (code 40) amount or as a Per Pay Period (code 49) amount on either on a New Employee or Permanent Amendment form.
If a Per Annum amount is entered (code 40) the system will divide it by 12 (monthly payrolls) or 52 (weekly-based payrolls - 'W'eekly, 'F'ortnightly and 'P'eriodic) to arrive at the Pay per Period amount however any remainder pence will be lost. This amount will then be paid automatically each period as BASIC.
If a Per Pay Period amount is entered (code 49) this amount will then be paid automatically each period (i.e. each month on monthly payrolls and for each week on weekly-based payrolls) as BASIC.
If the system is required to calculate a basic hourly rate for salaried employees, the number of contractual hours must be supplied. These are known as Normal Hours. See **NORMAL HOURS** section.

OR

Hourly

The employee is paid an agreed hourly rate for each hour worked.
The rate of pay for these employees is entered into the system as an Hourly Rate (code 48) on either a New Employee or Permanent Amendment form. These employees are not paid BASIC automatically each period unless Normal Hours are held in the employee record.
In the absence of Normal Hours in the record, the employee will only be paid BASIC if Basic Hours are input via a Timesheet.
If Normal Hours are held in the record, and there are no Basic Hours on the Timesheet, the Hourly Rate will be multiplied by Normal Hours to arrive at BASIC pay.
If there are no Normal Hours in the record, and no Basic Hours on the Timesheet, an Hourly Rate employee will not be paid BASIC.

BASIC PAY ADJUSTMENT

A) If there are Normal Hours in the employee record; Basic Hours may be entered on the Timesheet to change the amount of BASIC hours to be paid. If you do not have a column for Basic Hours and require it to be set up on your timesheet please contact the Moorepay Helpdesk.
B) Whether or not there are Normal Hours in the employee record BASIC pay may be adjusted either on a:

- New Employee using Pay this period as an over rider to the normal amount, OR
- Timesheet if a column has been allocated. Enter the adjustment or override to BASIC, OR
- As a Temporary Adjustment, quote the reserve descriptive code 'BASIC' with an amount that will adjust the normal amount. Positive amounts will increase the Basic, whilst negative amounts will decrease it.

BASIC PAY OVERRIDER

On New Employees if the basic pay due in the first period of payment differs from the normal period basic pay, enter in Basic Pay Over rider field the BASIC amount to be paid for the first week or month only. Do not use this facility if a Timesheet or Temporary Adjustment is being entered for the same new employee showing basic hours or value. **Note** that on 2- and 4-weekly payrolls, this overrides the first week only.
There is also, optionally, a column available on the Timesheet where an entered value will override the basic pay for the period (as opposed to adjusting it). If you do not have this column on the Timesheet and require it please contact the Moorepay Helpdesk.

BASIC PAY PERIODS

The number of periods of BASIC to be paid is governed by VARIATION code 93. Code 93 is pre-set to:

- '1' for weekly payrolls;
- '2' for fortnightly payrolls;
- '4' for periodic payrolls (i.e. 4-weekly)

The value of code 93 may be changed on Permanent Amendment for an individual, or for the whole payroll using a BLOCK AMENDMENT. A change of code 93 also influences the number of:

- Timesheets allowed;
- Tax periods (variation 95);
- N.I. periods 96);
- Holiday credit stamps (variation 97);
- Regular addition periods 98);
- Regular deduction/memorandum periods variation 99).

Any of these may also be individually overridden on Permanent Amendment as required.

BLOCK AMENDMENTS

A Block Amendment is an entry on the Permanent Amendment form that affects ALL employees (including leavers). This is achieved by use of the employee number zero. Employee number zero must be 00 or 000 or 0000 or 00000 or 000000, depending on the length of employee number set up in your company parameters.
Although Block Amendments will alter an item for ALL EMPLOYEES, 'variation' codes 93-99 are an exception as all leavers are excluded from these company variations, and must have their own variation input at employee level, where appropriate. Please check with the Moorepay Helpdesk. A Block Amendment for code 93 or 94 is required whenever a company is shutting down for a period, unless a 'RESUME' Action Record is input. See

also **HOLIDAY VARIATION.** Once a Block Amendment has been done, individual employees may be over ridden by quoting their employee numbers and differing contents.

BONUS RUNS

These are payroll runs that are *in addition* to a normal run. E.g. they could occur in order to pay a Christmas Bonus separately to the normal payment. If you require this option please contact the Moorepay Helpdesk.

BUILDING SOCIETY ACCOUNTS

To make BACS payments into an employee's Building Society account the Building Society's bank details must be entered in the Bank Details in the employee's record. An additional field, BACS Reference (Permanent Amendment code 57) is used to record the employee's Building Society Roll number. Credits paid to the Building Society's bank account are then identified by the accompanying Roll Number and distributed to the correct account.
Some Building Societies use a Head Office collection account, without an account number. In these cases, enter ''00000000'' as the account number.

Special Note: Bradford and Bingley building society accounts. The Roll Number / BACS reference must be preceded with an additional B. For example, B12345678ABC should be entered as BB12345678ABC.

CASH PAYMENTS - COIN ANALYSIS

A standard feature of the payroll system is the analysis of coin on cash payments indicating how many of each denomination of coin and note are needed to make up each pay packet exactly.
The Moorepay system simply works out the denominations for each net payment, then adds them for each pay station, department, and in total. It is possible for you to choose the highest denomination of note you wish to handle in the wage packets. This may be £5, £10, £20 OR £50. When calculating (up to your chosen note), you may also choose the minimum note quantities used for each net payment.
If net pay for an individual is negative, the amount is excluded from the coin analysis in the same way that it would be excluded from credit transfer payments or cheque lists/prints. Negatives are included under the separate total ''-VE'' on the Payroll Copy.

CASH PAYMENTS - NET PAY ROUNDING (''NETOP'')

Some companies require the net pay to be *rounded* to a convenient level of coin or note to avoid undue handling of smaller coin denominations when making up the wage packets. Net pay (cash method only) may be rounded to 10p, 50p or £1. Once switched on rounding will apply to all employees paid by cash unless they are leavers receiving their final payment. Overriding individually is not possible, so pay any exceptions by cheque.

For example net pay rounding of 50p would show:
1st week - Net pay £51.14 NETOP' (Net Over Payment) of 36p is added (as a tax free addition) making net pay up to £51.50. The employee now has a balance of 36p ''NETOP'' owing.
2nd week - Net pay £50.21 first, deduct NETOP balance of 36p (as a negative tax free addition) therefore the employees net pay is £49.85. This needs to be rounded up to 50p as so a new NETOP' of 15p is added to give new net pay of £50.00.
This means that the final NETOP shown on the second payslip is - (36) +15, which is gives a net adjustment of -(21). The new balance of NETOP owed by the employee is now 15p.
When an employee leaves with a final payment, or when an employee is changed to Cheque or Transfer net pay method any NETOP is recovered with no further payment.

CHEQUE PAYMENTS

The employee's NET PAY METHOD either on a New Employee or Permanent Amendment form code 50 is recorded as 'C'. This letter will appear after the net pay on the payroll to indicate those employees paid by this method. A total of cheque payments appears at the end of each pay station, department, and in total for the payroll.
Cheque payments may be summarised in a Cheque Listing and can be requested by contacting the Moorepay Helpdesk.

CLASS 1A NATIONAL INSURANCE – see Appendix F P11D RETURNS

Class 1A N.I. must be calculated on certain benefits and paid annually to HMRC.

COMPANY-PACKAGE - see PAYROLL REFERENCE

COMPANY PENSION CALCULATION

Moorepay can calculate employee and employer pension contributions through the payroll. Please contact the Moorepay Helpdesk for a Pension Specification document for you to complete. This document must be completed and the parameters set up prior to entering the employee into the scheme. Statutory options are covered in **Appendix C**.

COMPANY SHUTDOWN

Some companies shut down completely for one or two weeks a year, and require a *double* payroll run and no payroll at all when the company is closed. Please contact the Moorepay Helpdesk to discuss the best way of achieving this.

COMPANY TRANSFERS - see EMPLOYEE TRANSFERS

COMPANY CAR DETAILS

Up to four Company car records may be held per employee in any one tax year. Any entry on a car notification form will produce a P46 CAR document/report for submission by you to HMRC. These car details can be printed onto a draft P11D if parameters have been set to do this.

COURT ORDERS - see Appendix E - Attachment of Earnings Orders.

CUMULATIVE N.I. - see DIRECTORS

DATA FILES – EXPORTING - see Section 3 - Output Documents.

DATE OF JOINING

Date of Joining is for personnel or analysis information only. Enter it on a New Employee (or Permanent Amendment (code 08) as a 6-digit date in the form DDMMYY e.g. the 5th June 2008 would be entered as 050608. The date is **memorandum only** and is **NOT** used for calculating proportional payments. This field is mandatory for HMRC purposes.

DATE OF BIRTH

Date of Birth is a mandatory field for HMRC purposes. It must be entered on a New Employee. Failure to provide this information will result in the employee not being added to the payroll. Amendments can be made on Permanent Amendment (code 10). Input as a 6-digit date in the form DDMMYY e.g. the 22nd August 1978 would be entered as 220878.

DATE OF LEAVING

Date of Leaving is the signal to the system to stop paying an employee after the current processing run. See **LEAVERS AND RE-INSTATEMENTS** further on in this section. The date is **memorandum only** and is **NOT** used for calculating proportional payments. This field is mandatory for HMRC purposes.

DAYS

In the system, there are five 'types' of day that can make up the whole of an employee's pay period. They are:

- Days Worked
- Days Holiday
- Days Sick
- Days Study
- Days Unpaid

These five added together would always make up the Normal Days held in the employee's record (New Employee or Permanent Amendment code 38). Recording of days is used for making payments on a daily basis and for personnel information regarding sickness, holidays etc. The above day 'types' are recorded on the timesheet where this facility is required. However the Days Worked is assumed to be the normal days in the absence of any notification. See also **SSP QUALIFYING DAYS** in Appendix A.

DEFAULTS

On most New Employees much of the information required is *standard* and falls into the pattern for the company. We establish this standard information in the Payroll Parameters and these *defaults* are then used automatically when certain boxes are left blank. The boxes that may have defaults applied to New Employees are Net Pay Method, Normal Contractual Hours and Normal Days and SSP qualifying days. If one of these boxes is left blank the default will be inserted into the employee's record at the time the new employee is established. You should be aware of what your defaults are by referring to the Permanent Amendment Code List included with your payroll output.

DEPARTMENT

The department code can be up to 4 alphanumeric characters. It is set up on the Moorepay Header along with a department description. The employee is entered into a department on either a New Employee or on a Permanent Amendment form (code 06).

DESCRIPTIVE CODES

Every pay element of the Moorepay system has a Descriptive Code. Codes such as BASIC and TAX are *reserved elements* and are used by everyone. Other elements are customised for each individual payroll. These customised Descriptive Codes can be used when completing Manual Payments and Cancellations, Permanent Amendments and Temporary Adjustments. Printed with your payroll each time are two lists of allowable codes, the Permanent Amendments Code List and the Temporary Adjustments Code List. If the codes on these lists are not sufficient for your needs further items can be added by contacting the Moorepay Helpdesk.

DESCRIPTION TABLES

This form is used to create and maintain descriptions of departments, pay stations, analysis codes and references held in the employee record. It is also possible to associate these analysis codes with a 'cost' rate where costing or overhead calculations are required.

Moorepay Code Number

Enter the Permanent Amendment code from the list below, but only if it also appears on your Permanent Amendment List printed with your payroll each run. This code identifies the table you wish to maintain. Allowable codes for your company will be within the ranges:

- 06 - Department
- 07 - Pay Station
- 11-16 - Analysis Codes 1-6 respectively
- 73-78 - References G-L respectively
- 90-92 - Input Codes 1-3 respectively

Detail:

- Enter the code that you are describing, and/or rating (e.g. if the Header Code was 07, enter the first Pay Station code you wish to describe). If a table entry already exists for this code, the detail supplied will be used to replace it, i.e. the whole line of table entry will be overwritten. Therefore, if you change a description, you need to report the rate as well, and vice versa. To delete a table entry, leave the rest of the line blank.
- Enter the description. The maximum length is 24 characters. To delete leave the field blank.
- Enter the rate applying to the code in (1), if required, as a number with decimal places. E.g. enter £5 as '5', £5.50 as '5.5'. Enter 5% as '5', 5.5% as '5.5'. If deleting, leave blank.

DIRECTORS N.I.

Since April 1983 National Insurance contributions for Directors (and certain employees with annual earnings periods) have been identified by HMRC as requiring a cumulative N.I. calculation. The normal operation of directors N.I. is to calculate the deduction on each pay period as if it was the last payment in the tax year. No contributions are due until the annual lower earnings limit (LEL) has been reached, when all earnings above the limit will be subject to a charge at the various rates until the annual upper earnings limit (UEL) is reached. Any earnings above the NIUEL charged at 1% for the employee (as at tax year 2010-11).

Alternative N.I. method

For directors who receive a regular monthly or weekly salary this will result in fluctuations in the level of deductions which may be inconvenient. Therefore there is an option for 'Alternative Method Directors NI' which can be used. The employees NI contributions will be calculated on a period basis until their final payment. The final payment will be calculated cumulatively. Please note that any shortfall in contributions from the employee in the final pay period (if there is insufficient net pay on the final payment) it is the responsibility of the employer.

Advance N.I. Payments

The rules laid down by the HMRC allow for directors to elect making advance payments so that they can effectively spread their liability more evenly over the tax year. Regardless of this the cumulative calculation must be applied as a minimum, therefore a director with a regular monthly salary amounting to an annual salary which is twice the annual National Insurance upper earnings limit, would be expected to have completed their annual contributions by the middle of the tax year, with no further liability. The employer's contributions would, of course, continue for the whole year.

Payroll Fields

Permanent Amendment code 17 (NI Status) indicates the status of an employee for cumulative N.I.

0 - Normal N.I. calculation
1 - Cumulative N.I. calculation
2 - Cumulative N.I. calculation, reverting to type '0' automatically at tax year end.
3 - Alternative Method

Permanent Amendment code 18 (Appointment Week) indicates the tax week number, in the current tax year, that the employee became a director. This field is automatically cleared at tax year end.
Permanent Amendment code 23 (Employee Type) set to 'D' indicates that an employee is a Director. This is necessary in order to flag the employee as a 'Director' on the End of Year returns.

New Directors

When an employee becomes a director, contributions should be cumulative for the remainder of the tax year with pro rata earnings limits based on the number of tax weeks left in the tax year. The employee should be made a leaver and then set up as a New Employee with a new number, using previous employment figures (P45) where appropriate. Complete NI Status as type '1', and enter the tax Appointment Week (see above).

Ceasing Directorship

If an employee gives up Directorship Status they must remain on cumulative NI for the remainder of the Tax year. Amend the NI Status type to '2'. This will revert to type '0' automatically at tax year end.

Mixed NI Table Letters

This applies to Directors who change NI table letter during the current tax year. To enable cumulative NI to be calculated against the correct table letter you are required to advise on a Permanent Amendment the employees' previous table letter and Niable Gross to date for that table letter:

- Change code S91 (S93 for a 3rd table letter change) with a new content of previous table letter
- Change code S92 (S94 for a 3rd table letter change) with the Niable Gross
- Change code 46 to amend NI table letter.

Note: you cannot use the Mixed NI table facility for employees who have been set up to use the NI Alternative Payment Method. If this situation should arise in addition to the S91, S92, S93, S94 codes you must amend the employee's NI status to cumulative by entering a Permanent Amendment (code 17) with a new content of 1. This will have the result of recalculating the NI on a cumulative basis and the employee must remain on this NI status until the end of the tax year.

Moorepay follow the exact percentage method for calculating mixed table letters for a Director. Further information and detailed procedures for Company Directors may be found on the HMRC website www.hmrc.gov.uk.

EMPLOYEE HOME ADDRESS

Home Address is a mandatory field for HMRC purposes. It must be entered on a New Employee. Failure to provide this information will result in the employee not being added to the payroll. Amendments can be made on Permanent Amendment code 60. The maximum length is 60 characters (including punctuation), lines being separated by up to 3 commas.

EMPLOYEE NUMBER

Before allocating a number to a new employee you must refer to the Employee Number Index printed with your last payroll. This shows all numbers currently in use including employees who have left. Use any number that does not appear on the list and quote with the correct number of digits in length (as previously agreed with Moorepay). **Allocating an existing employee number to new employee will result in the employee being rejected and not being paid.** All standard output is produced in employee number order (within department), or optionally in alphabetic order.

EMPLOYEE TRANSFERS

If you are processing the payroll for more than one *company* in your group with the **same** Tax District and Reference number it may sometimes occur that an employee leaves one payroll and joins the other. No P45 is to be issued because the employee is still considered to be in continuous employment. Please contact the Moorepay Helpdesk for guidance.

EMPLOYEE TYPE

This is an 8-character field for memorandum or analysis purposes input via Permanent Amendment (code 23). However, if a single character of D, S, A or 7 is entered the system will generate a description for P60 printing of Director, Student, Annuitant or 714 Certification respectively. These codes will be checked for compatibility and warning messages will be printed on the input list and error report as appropriate:

- 'D' - will warn if NI Status is not '1', '2' or '3' (Cumulative) - see **DIRECTORS N.I**.
- 'S' - will warn if the employee's tax code is not 'NT'.
- 'A' - will warn if the NI Table letter is not 'X'.
- '7' - will warn if the NI Table letter is not 'X' or the employee's tax code is not 'NT'.

END-OF-YEAR RETURNS

These are produced automatically at the end of the tax year. This is usually on the first weekend following April 5th. Provided you have followed our instructions and carefully checked your Balance Control for each payroll run your Returns will be correct.
Prior to the end-of-year process you are able to submit last-moment amendments on a Non-Processing Run (see ACTION RECORDS). These amendments normally comprise of payments that have been made (or cancelled) in the days between your last payroll run of the year and April 5th.
This additional processing run will not result in any payment to an employee. You may only submit employee file amendments and not entries that would result in an actual Moorepay system payment. Allowable entries are: New Employee, Manual Payments and Cancellations, Permanent Amendments, Car Notification and Description Tables. You cannot submit Timesheets or Temporary Adjustments.
The documents themselves are described more fully in **Appendix Z – EOY**

EXPORTING DATA FILES - see Section 3 - Output Documents.

FORTNIGHTLY PAYROLLS

As far as the system is concerned this is a weekly payroll paid twice on the same run. The Per Pay Period rate of pay is quoted as for one week (you may use annual salary); the normal hours and days are quoted for one week; regular additions and deductions are quoted at the rate for one week. Because it is a 'weekly payroll used twice' you are allowed to submit two Timesheets for each employee, one for each week:
If no timesheets are submitted, the usual rules apply for each of the weeks separately.
If one timesheet is submitted, this is applied to one of the weeks, while the other week has the automatic payment action taken.
However many timesheets are entered, the TOTAL values are then averaged across the two weeks for Tax and National Insurance purposes.
We do not advise the use of Holiday Variations on 2-weekly payrolls. Although it is possible the rules are complicated.

FOUR-WEEKLY PAYROLLS (Periodic Payrolls)

As far as the system is concerned this is a weekly payroll paid four times on the same run. The Per Pay Period rate of pay is quoted as for one week (you may use annual salary); the normal hours and days are quoted for one week; regular additions and deductions are quoted at the rate for one week. Because it is a 'weekly payroll used four times' you are allowed to submit four Timesheets for each employee, one for each week:
If no timesheets are submitted, the usual rules apply for each of the weeks separately.
If one timesheet is submitted this is applied to one of the weeks while the other weeks have the automatic payment action taken.
However many timesheets are entered, the total values are then averaged across the four weeks for Tax and National Insurance purposes.
We do not advise the use of Holiday Variations on 4-weekly payrolls as although it is possible the rules are complicated. A 4-weekly payroll is normally regarded as salaried and so the problem does not usually arise.

GENDER (Sex Code)

Sex Code (Gender) is a mandatory field for HMRC purposes. It must be entered on a New Employee. Failure to provide this information may result in the employee not being added to the payroll.

GIVE AS YOU EARN

HMRC allows tax relief on charitable donations up to a statutory annual limit'. In order to qualify the donations must be made to an approved Charitable Agent. The Charitable Agent will expect the employer to provide a report of all deductions made together with payment for the total value of the donations. The report will need to be by employee (a common identifier would be the N.I. number) as the Agent will have standing instructions from the employee to distribute the donation to specific charities. If you wish to support a GIVE AS YOU EARN scheme contact the Moorepay Helpdesk to set up an accumulating Tax Allowed Deduction element and optionally an analysis.

HMRC PAYMENTS VIA BACS

If your employees are being paid using the BACS facility, your monthly PAYE/NI payments can be paid to HMRC by Moorepay. This option ensures that your payment will reach HMRC on time. Please contact the Moorepay Helpdesk for more information regarding this option. If you make your own payments directly to HMRC, please ensure you comply with their payment deadlines.

HOLIDAY CREDITS

A holiday credit is an amount of money set aside each week by the employer to 'save up' for the employees' annual holiday payment(s). It is calculated for each individual and may be accumulated week by week to show the accrued value credited to the employee. There are two different ways of using the holiday credit facility:-
1) Calculating the credit as a non-cumulative figure. This would only provide a value for the week as a memorandum to be selected on the payroll and/or analysis/job costing.
2) Calculating the credit and accumulating it in 'Holiday Reserve'. Holiday money is then paid from holiday reserve, the latter being depleted. The reserve figure may be overdrawn (i.e. the holiday pay may exceed the accrued value). The depletion happens automatically when the employee is put on holiday in the normal way. The holiday credit itself may be a fixed amount (holiday stamp) or a percentage calculation. The payroll 'cost' total would reflect the holiday reserve accrual, and exclude the actual holiday payment.
Adjustment of holiday credit ''stamps'' is achieved on Permanent Amendment using code 97 and quoting the number of stamps required for the current period.
Percentage calculations will normally take care of themselves when pay is varied. The Moorepay Helpdesk should be consulted regarding complex situations or if your organisation's present rules should change.

HOLIDAY DAYS

Information may be input on a Timesheet. The number of day's holiday taken may also be accumulated separately and/or used in holiday or other pay calculations. Please contact the Moorepay Helpdesk for details.

HOLIDAY HOURS

Information may be input on a Timesheet. The holiday hours given can either use the normal hourly rate of pay or a holiday rate of pay if this is present in the employee record. The holiday hours figure may also be accumulated and used for further calculation and/or analysis. Please contact the Moorepay Helpdesk for details.

HOLIDAY RATE OF PAY
If the normal Basic hourly rate does not apply, a holiday hourly rate of pay can be set up and maintained under Permanent Amendment code 34. If present on a timesheet, it will be used for the automatic calculation of holiday pay when Holiday Hours are entered or when Normal Hours are assumed for the holiday period.

HOLIDAY 'ROLLING AVERAGE' CALCULATION
Under some contracts of employment, holiday money is paid on the basis of the average of the previous several weeks' earnings, much like SSP. However, the basis for calculating the average varies from company to company. If you supply details of your company scheme to the Moorepay Helpdesk they will be pleased to operate it for you.

HOLIDAY STAMPS
These are catered for by the system, the number of stamps being governed by Variation code 97. This is pre-set at '1' for weekly payrolls, but may be varied on the Permanent Amendment form. A variation of code 93 (BASIC PAY periods) will automatically vary code 97. Code 97 is not varied by an entry of holiday weeks, as no stamp is normally due for paid leave.

HOLIDAY TIMESHEET - See TIMESHEET rules for submission of holiday timesheets/clock cards.

HOLIDAY VARIATION
A Holiday Variation is the entry of a number of Holiday Weeks. This entry may appear on the timesheet (usually for hourly-type payrolls) or may be entered under Permanent Amendment (code 94) for salaried payrolls. This entry automatically affects the number of tax and N.I. periods as well as the number of regular additions and deductions. It will also calculate and set in the employees' record the tax week of the next payment. This will show on the payroll copy as 'SUSPENDED (nn)' where (nn) is the week of next payment. The employee is suspended from further payment until that week (unless the restart week number is amended with Permanent Amendment (code 39).
When the whole company is closing down for a period a block amendment must be submitted under code 93 or 94, unless a 'RESUME' Action Record is input. Tax and National Insurance are always averaged over the holiday period (as distinct from the current period) unless tax or N.I. variations are input. Please discuss company shutdowns with the Moorepay Helpdesk.

HOLIDAY WEEKS - See HOLI**DAY VARIATION.**

INPUT CONTROL
Control of the number of entries input to and processed by the system is entirely your responsibility. The number of input entries processed for each form type is summarised on the Balance Control returned with your payroll each run. This should be checked to ensure that all the entries you submitted have been processed.

JOB COSTING
Job Costing is a payroll facility that allows an employee's costs to be allocated across several jobs (or departments) within the pay period. If the hours and direct expenses relating to each job can be identified and captured then it is a simple matter for our system to allocate the costs to the individual jobs and produce the job costing.
This is achieved by submitting more than one Timesheet for each employee concerned one line for each job on which the employee has worked in the pay period. Each line on the timesheet must show the job to which the information relates and the costs incurred on each job against the job codes quoted.
It is also possible to allocate overhead costs (e.g. Company N.I.) across the various jobs proportionately by employee. This apportioning may be based on any criteria however is usually based on the total time spent on each job as a percentage of the total time worked. Another feature of the system is the ability to allocate some costs to particular job codes automatically. Please contact the Moorepay Helpdesk to discuss your requirements.

LEAVERS and REINSTATEMENTS

Leavers

- It is a requirement for End of Year Returns that when an employee leaves that the date of leaving is shown on the P14.
- Leavers are notified using Permanent Amendment (code 09) as a 6 numeric date in the form DDMMYY e.g.1st February 2008 would be entered as 010208.
- A Date of Leaving in the record prevents further payments being made inadvertently.
- The Date of leaving is memorandum only and will not be used for any calculation purposes. Basic pay will be generated as normal unless notified otherwise. A final calculation can be adjusted on a Timesheet or a Temporary Adjustment.
- To advise the system not to calculate a final payment on the run enter 'N' in Permanent Amendment (code 79) at the same time as the Date of Leaving.
- Incorrect dates may be amended on any subsequent run prior to the tax year end using Permanent Amendment code 09 without causing payments to be generated.
- If required you may enter a single character to denote the reason for leaving using code 20 on a Permanent Amendment. Note: The outgoing P45 must indicate if the employee is deceased by entering a code 20 with a content of D. You may decide to create codes for other reasons of leaving please contact the Helpdesk to discuss your requirements.
- If a Timesheet is normally required to pay an individual this may still be entered in the normal way with any appropriate adjustments. If no Timesheet or Basic hours are submitted, but a Temporary Adjustment to BASIC is made payment rules will apply as if a 'zero hours' timesheet had been entered.

Note: If a P45 is not required see Appendix H – Electronic Data Interchange

Reinstatements

- To reinstate an employee for who has been made a leaver in the current tax year enter a Permanent Amendment (code 09) with new content of 000000 to overwrite the date of leaving.
- A reinstatement should only be made for an employee if you still have **ALL** 4 Parts of the P45. If not, the employee must be set up as a New Employee with a new employee number.
- Reinstatement is not necessary for Manual Payments and Cancellations or master file changes.
- Once reinstated the employee's record will be available for payment in the normal way.
- You cannot reinstate and make an employee a leaver on the same payroll run.

Reinstatement of Leaver made in Error

- The employee can be reinstated as above however if Part 1 has been issued to HMRC then you must write to them to advise of the amendment.

LOANS and OTHER REDUCING BALANCES

Setting up and item with a balance

- To set up an item with a reducing balance such as a loan refer to your Permanent Amendments List printed each time with your payroll and identify the appropriate reducing balance Descriptive Code.
- Enter on the Permanent Amendment form the descriptive code with the regular per period deduction amount and another entry of the descriptive numeric code balance with a balance. The balance overrides any existing balance in the employee's record therefore if a balance already exists, you will need to add any outstanding balance to the new balance and report the new total figure. The system will deduct the amount per period reducing the balance until the balance is zero and will be cleared automatically from the employee record.

Cancelling items with a reducing balance

- Enter a zero against the amount per period as well as the balance.

Cancelling items with NO balance

- Miscellaneous additions to pay or deductions that have been set up on a regular basis in the employee record can be cancelled using the Permanent Amendment form. Refer to the Permanent Amendments List printed each period with your payroll output and identify the appropriate Descriptive Code. Enter the descriptive code, with a new content of '0'.

MASTER FILE

Master file is a term used to describe the principal file of information on a Moorepay system. On the payroll system the Master File is the Employee Record File. It contains up-to-date details relating to each employee and Employee Record prints can be printed from this file.

MAXIMUM NET, WARNING

This is a feature of the system where you tell us what level of net pay is a reasonable maximum for most of your employees and this is set into the Payroll Control. A warning message on the input list and error report will be reported if any employee's net pay exceeds this figure and no further action will be taken.

MEMORANDUM ITEMS

Memorandum items are information only details stored in the employee record that does not directly affect their pay i.e. Company National Insurance and Company Pensions. In addition there is the facility to hold other values, rates or hours that, whilst not being used (directly) for payment, may be used for (percentage) calculations, comparison or for Analysis purposes. There is also an option for percentage memoranda to be calculated automatically on Manual Payments and Cancellations to save the task of having to work them out manually.

NET PAY METHOD

There are three methods of making net payments, Cash, Cheque or Credit Transfer. The method is indicated initially on New Employee and can be amended using a Permanent Amendment (code 50). The indicator is a single letter as follows:

- K – Cash refer to CASH PAYMENTS;
- C - Cheque refer to CHEQUE PAYMENTS;
- T - bank giro Transfer refer to CREDIT TRANSFERS

Also see the topic **SPLITTING NET PAY**.

NETOP

This is the description related to rounding of net payments of cash to a convenient level of coin or note, e.g. 50p or £1. This is dealt with in full under the **CASH PAYMENTS** section.

N.I. ADJUSTMENTS

If late notification is received of a change in the employee NI Status it will be necessary to refund deductions made against the incorrect table letter and make them against the new table letter. These entries can only be carried out on a Manual Payment and Cancellation form. Even if the different table letters attract the same amount of Company N.I. these values must still corrected against their corresponding letters to ensure the accuracy of end-of-year details.
Adjustments on the Manual Payments and Cancellation form are not included in the current payslip therefore the difference would have to be made good to the employee using a suitable Descriptive Code via the Timesheet. Please contact the Moorepay Helpdesk for further advice.

N.I. CUMULATIVE - see DIRECTORS' N.I.

N.I. GROSS HISTORY

Whenever SSP is paid to an employee or when a Manual Payment and Cancellation is entered the gross earnings for each individual period are reported on the payroll for reference purposes:

N.I.GROSS 03-45 220.80 500.00 541.40 208.72 149.50 112.37 80.05 etc.....
Where '03-45' identifies the tax periods of the earnings (latest to oldest) displayed and 220.80, 500.00 etc are the earnings figures.

This information is able be printed for an employee at any other time by completing a Permanent Amendment code 21 followed by an 'X' in the new content field.

N.I. STATUS - see DIRECTORS' N.I.

N.I.TABLE LETTER

The N.I. table letter indicates the rate at which National Insurance will be calculated for the employer and employee. These are entered on either a New Employee or Permanent Amendment form (code 46). Note: The N.I. table letter IS NOT the last character of the N.I. Number.

NOMINAL LEDGER - POSTING OF PAYROLL JOURNALS

This can be done automatically by the system but is only worthwhile in terms of cost and effort-saving on payrolls of substantial proportions. If you require more details on this subject please contact the Moorepay Helpdesk.

NORMAL DAYS

Normal days held in the employee's record may be used to calculate payments based on days or generate statistics on other daily activities, such as Study and Sick days See DAYS and DEFAULTS. Check if a Default has been applied (see your Permanent Amendment List). Otherwise, the normal working days in each week or month can be entered using Permanent Amendment code 38. Decimals are allowed, maximum 999.999.

NORMAL HOURS

Normal hours are held in the employee's record generally for one of two purposes:

- For Hourly paid employees these are used in the absence of a Timesheet to multiply the hourly basic rate to pay a normal week or month.
- For Salaried employees they are used to divide the period salary to arrive at a normal basic hourly rate, this rate can then be used to calculate overtime or to adjust basic pay by the entry of hours.

On weekly, fortnightly and periodic payrolls these are set to weekly hours. On monthly payrolls they are normally set to monthly hours (weekly hours multiplied by 52 divided by 12) however the payroll control can be changed to allow the entry of weekly hours. Please check that you are entering the hours in the correct format by checking the Permanent Amendment Code List against code 35 which will show if your payroll is set to either weekly or monthly normal hours. Normal Hours entered on Permanent Amendment code 35 must be entered as hours and minutes e.g. 37 ½ hours entered as 3730.

Weekly Hours Option for Monthly Payrolls

It is possible to set Normal Hours to weekly in preference to monthly. This option is shown on the Permanent Amendment Code List (against code 35) returned with your payroll output each period. Weekly hours would be quoted in Normal Hours on New Employees and Permanent Amendments and would show as weekly hours on the employee Record Card. Before each processing run the system converts them to monthly normal hours (by multiplying the hours by 52 and dividing by 12) for all calculation purposes. If this option applies the Applied Hours must also be quoted as weekly. Please contact the Moorepay Helpdesk if you require this option.

NUMERIC CODES

These are used to make Permanent Amendments to the employee record. Some codes are common to all users such as 45 (Tax code), 22 (NI number) and 10 (Date of Birth). A list of the most frequently used of these can be found on the Quick Reference Guide with the Permanent Amendment form. Further allowable codes some of which are tailored for your payroll appear on the Permanent Amendment Code List printed with your payroll output each period. Care should be taken when entering monetary rates, dates and percentages (**See Section 1**).

OVERTIME - AUTOMATIC CALCULATION

The automatic calculation of overtime must be agreed by Moorepay and set on your Payroll Parameters. In the majority of cases the basic rate of pay will be enhanced for overtime purposes or a Special Rate of Overtime (Permanent Amendment code 32) is used. If this has been agreed for your company, the choice of rate can be varied by employee on the same payroll using Permanent Amendment code 29 with an entry of:

0 - use (or return to) the normal company control method;
1 - use 'Special O/T rate 1' for enhancement;
2 - if present, use 'Special O/T rate 1' for enhancement, otherwise use the basic rate;
3 - do not allow overtime calculation, even if hours are entered.

Using the appropriate rate of pay the Moorepay system can calculate up to five rates for overtime and may be varied for any company as required. By supplying each employee's normal hours, the Moorepay system can

also work out the overtime rates from a weekly or annual rate of pay. More sophisticated overtime 'schemes' are possible (see **Overtime Special Schemes**).

OVERTIME SPECIAL SCHEMES

These are rare but may be used where a fixed number of overtime hours have to be paid at the first overtime rate before the second rate comes into play. If the Moorepay system knows in advance the number of hours to be paid at one rate before moving automatically on to the next (scaling) it is only necessary to supply us with the total hours worked each week and the system does the rest. Individual employees may still have their scaling based on the Basic Rate or the Special Overtime Rate (see above). However, if an overtime scheme has been set up but individual employees are to be excluded from automatic scaling then Permanent Amendment code 29 can be set as follows:

4 - no scaling - use (or return to) the normal company control method;
5 - no scaling - use 'Special O/T rate 1' for enhancement;
6 - no scaling - if present, use 'Special O/T rate 1' for enhancement, otherwise use the basic rate;
7 - no scaling - do not allow overtime calculation, even if hours are entered.

If your overtime works like this, please ask the Moorepay Helpdesk about overtime schemes.

P45 GROSS PAY and TAX

Pay and Tax in Previous Employment Pay will be notified on a P45 given to you by an employee. These must be completed on the New Employee form. Employees without a P45 should complete a P46 and the information entered on the New Employee notification. When in receipt of the P45 amend fields using a Permanent Amendment form on your next payroll input (see **APPENDIX H – EDI – IN YEAR FILING**).

P45's

New Employee

If you receive a P45 from a new employee the Previous Employment P45 details must be completed. If you opt for In Year filing this information Part 3 P45 will be submitted electronically to HMRC by Moorepay.

Leaver

P45s can be produced by Moorepay for all leavers. If you have the In Year filing option Part 1A, 2 and 3 will be included with your output and Part 1 will be submitted to HMRC electronically by Moorepay. If you do not opt for In Year filing you will receive all four parts of the P45 with your payroll output. Please contact the Moorepay Helpdesk if you want to discuss this option.

P46

If the new employee does not provide a P45, they should complete a P46. The P46 Details must be entered on the New Employee form. If there are no P45 or P46 details provided then the system will assume declaration C regardless of the tax code provided on the New Employee form. The P46 will be sent to HMRC if you opt for the In Year filing. (See **APPENDIX H – EDI – IN YEAR FILING**).

P46(PEN) – see APPENDIX H – EDI – IN YEAR FILING.

P46(EXPAT) – see APPENDIX H – EDI – IN YEAR FILING

PAY STATION

This is a special analysis code up to four alphanumeric characters in length entered using Permanent Amendment (code 07). It is useful when the Payroll Listing needs to be presented in employee groups within a department but only where a breakdown of net pay and coin for each group or Pay Station is required and not payroll totals. A new page of payroll print is started for each new Pay Station and the usual detailed totals are given at the end of the payroll. Detailed Department totals are given if Department Codes are used however not for each Pay Station.

PAYROLL PARAMETER

This is our own term for the file of information that 'controls' the processing of your payroll. Returned with your payroll each time will be a Permanent Amendment List and a Temporary Adjustments List. These lists show the codes and descriptions that have been defined for your Company.

PAYROLL REFERENCE

This is the four-digit code that identifies your payroll preceded by the package letter of W (weekly), M (monthly), F (fortnightly) or P (periodic) indicating the pay frequency e.g. WA123, MBR12.

PAY TYPE

The Pay Type determines the way in which an employee is paid and is shown on the payroll for each employee as 'S/Y', 'H/Y', 'S/N' or 'H/N this is derived from information entered on the New Employee or Permanent Amendment forms.

'S' (Salaried/Standard) means that the rate of pay has been entered as an annual or period amount (Permanent Amendment code 40 or 49)

'H' (Hourly) pay rate has been entered as an hourly rate (code 48).

'Y' means that an employee will be paid automatically in the absence of a timesheet. . 'Y' will be shown for all 'S' types (unless the annual or period salary is amended to '0'), and for 'H' types with Normal Hours in the record.

'N' means that a timesheet is required for payment to be generated 'N' will be shown for all 'H' types who do not have Normal Hours in the record and for 'S' types where the annual or period salary has been amended to '0'.

PENSIONS - see COMPANY PENSIONS

PERCENTAGE CALCULATIONS

These are a standard feature of the payroll system and are tailored to your exact requirements e.g. Pensions or Overhead or Cost calculation. Please contact the Moorepay Helpdesk to discuss your requirements.

P.O. GIRO ACCOUNTS

If you are paying by BACS and an employee has a Post Office Giro account you will notice that the account number is 9 digits while BACS allows only 8. In these cases, the first digit of the account number should replace the last digit of the bank sorting code. For example:

P.O.Giro: Bank Sort code: 72 00 00 Account number: 123456789
Should be recorded as: Bank Sort code: 72 00 01 Account number: 23456789

This may be done at the time of setting up a New Employee, or on the Permanent Amendment form using codes 55 and 56 respectively.

PREVIOUS SALARY (Automatic Recording)

Whenever you amend the Basic rate of pay using a Permanent Amendment form code 48 (hourly rate), 49 (Pay per Period), code 40 (Salary per annum) or code 35 (Normal Hours) the system will record in field:

- 68 (Date of last salary change) 1st of the month for monthly payrolls or 1st day of the pay period for weekly payrolls.
- 69 (Previous salary) The annual salary (for Salaried employees) or the basic hourly rate (for Hourly paid employees).

This is for information purposes only and can be included on an employee report for review purposes. If a more accurate date of change is required enter the date required using on a Permanent Amendment (code 68) with the format of DDMMYY at the time when the new basic rate/salary is entered.

PRINTED TIMESHEET

This is an option to pre-populate Timesheets with live employees each pay period. These timesheets can be used as input forms in the following pay period. They are accompanied by a pre-printed Moorepay Header. These forms can also incorporate columns for Temporary Adjustments used by entering a Descriptive Code and value. For full details, see **TIMESHEET and TEMPORARY ADJUSTMENTS**.

REINSTATEMENTS – see LEAVERS and REINSTATEMENTS

REMINDER MESSAGE

Although there is a facility within the Moorepay system to have a warning message printed on the main payroll listing it is possible for you to enter any action or reminder message to yourself and include an expiry date. When the expiry date is reached both message and date are deleted. Enter on a Permanent Amendment form codes:

42 - Warning message (16 characters)
43 - Warning start date (DDMMYY)
44 - Warning expiry date (DDMMYY)

This will appear on the right hand side of your payroll listing.

SMP - STATUTORY MATERNITY PAY - see Appendix B - SMP

SPECIAL OVERTIME RATE - see Overtime - Automatic Calculation

SPLITTING NET PAY

Employees' net pay can be split into two payments. This can be achieved using the Permanent Amendments form with the following change codes:
53 - 2nd net pay method
54 - 2ndnet pay amount
64 - 2nd bank sort code and 65 - 2nd bank account number (if required).
The rules for the completion of these fields are the same as for the primary net bank details.
Note – the second net pay will only apply if there is enough net pay.

SSP - STATUTORY SICK PAY - see Appendix A – SSP

STOPPING PAY

Payment can be stopped for an individual employee (other than making the employee a leaver):

- By entering a zero in the BASIC hour's field on a timesheet. See 'The Zero Timesheet' under **TIMESHEET.**
- By entering a 'variation' on the Permanent Amendment form (code 93) with a new content of '0'. See **VARIATIONS**.
- Recording in the employee record a tax week (or month) of next payment which prevents an employee from being paid until the tax week or month stated. Enter the re-start tax period on the Permanent Amendment form (code 39). **Note - t**his must not bridge the end of tax year**.
- By using change code 39 with a new content of '60' to suspend the employee indefinitely. See **TAX PERIOD OF NEXT PAYMENT.**
- By changing Permanent Amendment code 51 (Payment Status) to 'S' for an employee on SMP (see **Appendix B - SMP**).

STUDENT LOANS

You will be notified of Student Loans on either an incoming P45 or a P46 declaration (issued by HMRC). For new employees, enter a 'Y' in the Student Loan box in the appropriate input section. For existing employees, this is notified using a Permanent Amendment form (code S20) content of Y. A notification from HMRC to stop a Student Loan deduction will be issued on a SL2. To stop any further deductions use a Permanent Amendment code S20 of N. (**see Appendix L – Student Loan Deductions**).

TAX CODES

Permanent Amendment (code 45) for an amendment to tax codes. Tax codes can have L suffix or K prefix.

- 647LM or 647LW (as at 2010-11) is the current emergency tax code.
- Week 1/ Month 1 tax codes where suffix W or M is used
- BR - Basic Rate
- NT - Non-Taxable
- D0 – Tax at 40%

TAX PERIOD OF NEXT PAYMENT

This is a number held in each employee's record to indicate the next period in which they are to be paid. It shows on the payroll as SUSPENDED with the period in brackets. The system will automatically set it when an employee is subjected to a Permanent Amendment variation of 93 (number of basic periods to be paid), 94 (number of holiday periods to be paid) or 95 (number of tax periods) is entered. It can be cleared (so that the employee is brought into the current payroll) by entering code 39 with a new content of '0' on a Permanent Amendment.
It can also be used to postpone payment of an employee using Permanent Amendment code 39, enter the tax period number (maximum 53) or tax month number (maximum 12) when resumption of payment is required. The restart period **cannot** bridge the end-of-tax-year therefore to suspend an employee indefinitely a new content '60' must be entered. When the employee becomes eligible for payment again enter code 39 with a new content of '0' on a Permanent Amendment.

TAX REFUNDS FOR STUDENTS

A student is often taxed on an emergency coding if they have not signed a P38(S). An amendment to an 'NT' tax code will produce an automatic refund of tax paid, where as NT (week1/month1) tax code does not.

TAX REFUND WARNING

A tax refund in excess of £200 is highlighted by a warning message on the Input List and error report:

- On the run when a New Employee form is submitted for an individual, or
- When a Permanent Amendment is the first notification of P45 balances for that employee.

Note: This is a precautionary measure to help prevent accidental overpayments if erroneous figures are reported. I.e. the tax refund will be paid.

TEMPORARY ADJUSTMENTS

Most payroll processing runs include temporary items to be added or deducted for the current period only. These may include such items as bonuses or advances.

- Entries may be made on the pre-printed Timesheet and Temporary Adjustments document returned with your payroll each time. Alternatively or in addition to you may also make entries on the Temporary Adjustments form.
- Always check for allowable codes by referring to the Temporary Adjustments List returned with your payroll output each time.
- Enter the descriptive code for the item required followed by the cash amount to be paid or deducted in whole pounds and pence only.
- Temporary adjustments to % calculations must be entered as a value.
- Temporary adjustments will add to any regular amount being paid or deducted in the same period, enter the value as a negative if a refund or reduction is required.

If an item is not on the timesheet and you use the adjustment frequently it may be more convenient to have a column added to your timesheet, please contact the Moorepay Helpdesk.

THIRD PARTY PAYMENTS

If you are using the BACS facility to pay your employees it is possible for Moorepay to generate payments to a Third Party e.g. pension provider. Payments are made on the same day as your employee's payday. Please contact the Moorepay Helpdesk if you wish to discuss this option.

TIMESHEET

The Timesheet is used to notify details of temporary additions and deductions, hours worked, overtime hours/money and holiday details. There are two types of timesheet either pre-printed or pdf. Information may also be keyed direct from your own clock card or timesheet subject to our prior approval of the format and content. The layout of the Timesheet is individually tailored for each company. Only use columns agreed with the Moorepay Helpdesk. The most frequently used columns should be on the left.
When completing a timesheet entry, the following points should be noted:

- Only one line of entry per employee is permissible for weekly and monthly paid employees unless Variations or Split Job Costing apply. Two entries are allowed per employee on fortnightly payrolls and four entries are allowed per employee on periodic (4-weekly) payrolls.
- A single further holiday timesheet may be submitted for a weekly employee in addition to the current timesheet. On job costing payrolls where multiple timesheets are normally permitted, only one holiday timesheet is permitted to cover the whole holiday period.

- If a timesheet is submitted containing a ‘‘0’’ in the basic hours column and no other hours have been entered, all regular additions and deductions (apart from statutory ones) will be automatically ignored for the period. A payslip will be produced showing any temporary payments or deductions and possibly a tax refund. All percentage calculations will be actioned, based on their normal criteria. If a timesheet is submitted using BASIC over rider, all regular additions/deductions will be generated.
- Decimal hour’s option: There is a payroll control option set up by special arrangement to allow you to input decimal hours rather than hours and minutes on Timesheets only. All output hours are still reported in hours and minutes regardless. Decimal hours of five and a quarter would be written as ‘‘525’’, i.e. no decimal point is written, but both decimal positions must be quoted - as in five and a half hours, i.e. ‘‘550’’.

TIMESHEET and TEMPORARY ADJUSTMENTS

(Pre-printed Timesheet Form)

The tailor-made pre-printed Timesheet and Temporary Adjustment is printed after each payroll run. It lists every live employee, in addition it will show those on holiday or suspended with their name, normal hours and tailor-made column headings.

You can input a second timesheet for the holiday period by using one of the blank lines printed at the end of your timesheet.

UNITS

A further feature of the payroll system that is most useful for piecework rates. A unit is simply an input quantity on the Timesheet that is not hours and is not a value. The system can hold the unit rate in the employee record and the units can be reported on the timesheet. Up to three decimal places are valid. Please ensure decimal points are written boldly and clearly.

VARIATIONS

Processing Variations should be regarded as unusual entries and you should seek advice from the Moorepay Helpdesk before using them. Variations are a set of Permanent Amendment codes that guide the processing of the payroll both individually and at company level.

They are:

93 - the number of BASIC periods to be paid;
94 - the number of HOLIDAY periods to be paid;
95 - the number of TAX periods for taxation purposes;
96 - the number of N.I. periods for N.I. purposes;
97 - the number of HOLIDAY CREDIT stamps;
98 - the number of times REGULAR additions will be generated;
99 - the number of times REGULAR deductions and memoranda will be generated.

For a weekly payroll 93 is set at ‘1’ (1 period to be paid) and 95-99 will be the same as 93.

If 94 is entered (holiday periods) then the value of 94 also adds to the values of 95, 96, 98 and 99 - so that the total number of times (say) regular additions will be taken will be ‘1’ plus the number of holiday periods.

SECTION 3 - THE OUTPUT DOCUMENTS

This is a list of all possible output documents that you could receive:

- Contact Sheet.
- Permanent Amendment Code List.
- Temporary Adjustment Code List.
- Balance control.
- Input list and error report.
- Payroll Listing (this includes Department and Company totals).
- B.A.C.S credit transfer list (for employees paid via this facility).
- An alternative credit transfer list may be substituted where the BACS is not used.
- Cheque Listing
- Third Party Payment Summary
- Employee record prints
- Payslips
- Moorepay Header
- Pre-printed timesheets and Temporary adjustment document
- Customised analyses (reports)
- Self adhesive labels
- Printed P45's **(see Appendix H-EDI)** for further details
- P46C car details
- Comma Separated Variable Files (CSV)
- End of Year returns **(see Appendix Z-EOY)** for further details
- P11D's
- P11D summary

Please inform us immediately if any documents that you normally receive are missing.

CONTACT SHEET

This sheet is printed with your payroll output each period. It provides information of how you can contact Moorepay and details the address of where the payroll output is to be returned together with the contents of the payroll package.
The following gives an overview of the different sections that appear on this document:

Helpdesk details:
This provides the Moorepay Helpdesk contact information. It also shows the payroll reference and the date the payroll was processed.

Key payroll details:
Paid to - the date that will appear on the payslip (automatically incremented on each payroll run).
Pay period from and to date - actual period to which the payment relates.
Taxed to - the tax period (automatically incremented on each payroll run) together with the current tax year.
BACS processing date - bank working day prior to pay day.
Next tax period (RESUME) - used on weekly payrolls for holiday shutdowns.
Telephone Number - the telephone number we can contact you on.
Payroll contact - the name of the authorised payroll contact.
Bank holiday action - pre-agreed bank holiday arrangements on Weekly & Fortnightly payrolls.
Fax your data to - the fax number required for input data only.

Action records input:
PAYPER - represents the number of pay periods on this payroll run (Weekly=1, Monthly=1, Fortnightly = 2, Periodic =4).
Other action records are only displayed when a request has been made.

PERMANENT AMENDMENT /TEMPORARY ADJUSTMENT Code List

These show details of all system reserved and customised Descriptive codes currently available together with their long payslip description. It may include details such as:
Payments - Lists all available payments. All items are subject to tax and NI (unless stated otherwise).
Deductions - Lists all available deductions. All deductions are from net pay unless stated otherwise.
Memoranda - Lists all available memoranda items, however, some of these may have been set to be included in the company cost figure on the company totals page
Elements shown on the ***Permanent Amendment*** Code list are used to notify any permanent changes to an employee's record.
Elements shown on the ***Temporary Adjustment*** Code list are used to notify entries for the current payroll only. Note: any Temporary Adjustments will add to any permanent entry held in the employee's record.

BALANCE CONTROL

Please ensure that you check the Balance Control each run to ensure accuracy of your payroll.
Other Columns show the effect of New Employees, Permanent Amendments, Manual Payments and Cancellations and computer-generated values. These should be reconciled against the payroll totals to ensure 100% agreement.
Carried Forward Column should be checked each month to reconcile the payments that have been made to HMRC.
Forms Summary Section shows the type of entry and its matching data type. It also provides information on how many entries have been accepted and how many rejected.
NI Summary Section shows the overall totals held for each NI table letter in use.
The Pension summary section only appears if an employee is in a COSR or COMP pension scheme. See **Pensions Section (Appendix C**).
Employee Control section shows the Total number of employees held on file; the number of live employees (without a date of leaving), the number of leavers (with a date of leaving) together with the movements on this payroll run this time (e.g. joined, left, reinstated or deleted etc.).

INPUT LIST and ERROR REPORT

The Input List & Error Report provides a record of every entry made on the current payroll run in employee number order. Please check this report to ensure that all data has been correctly entered:
Empno - shows in employee number irrespective of department.
Dept/Pstn/Name - shows the employee's department/paystation and employee surname (first 8 characters).
Rej - an * in this column indicates an entry that has been rejected, whilst a 'w' is a warning that further action may be required.
Comment - this is an explanation of why an * or 'w' is appearing. (See **COMMENTS** section below)
Form - the number shown is the code for the data type generated from your input; see Balance Control for descriptions of these data types (i.e. timesheets are data type 7).
Tailored headings - the next six headings will describe the first six columns of your company's Timesheet layout.
Column Descr/Content - any entries made after the first six columns of your timesheet will be shown with their descriptive code.

The following are system warnings that relate to individual employees:
Balance is negative - this warning may appear at any time if a computed balance such as Taxable Pay or Tax that should be positive has become negative most likely as the result of an incorrect Manual Payment and Cancellation.
Cumulative N.I. error - this may mean that instructions have been entered incorrectly for an employee on cumulative NI.
Exh balance exceeded - there has been an adjustment exceeding the brought forward figure on an exhausting reducing balance.
Exh bal not cleared - a leaver on the current run still has an *exhausting* reducing balance outstanding.
Manual net error - indicates the net pay quoted on a Manual Payment and Cancellation does not agree with the detail quoted within the manual. The computer-calculated net is used.
Max net pay exceeded - an employee's net pay exceeds the *guideline* laid down in your company control and no action is taken other than this warning. This limit may be reviewed by contacting the Moorepay Helpdesk.
Negative net pay - indicates that the employee's deductions have exceeded their gross.
Negative N.I. paid - the calculation for an employee on a Cumulative N.I. calculation basis has resulted in a refund.
SSP payment query - an SSP payment has been made for an employee not paying Class 1 N.I. contributions.

Table N.I. query - the system has detected an incompatibility between the N.I. Table letter quoted and the type of balances held against it in the record (i.e. table letter 'A' with a contracted-out balance).
Transfer - check rates - an employee has been transferred in from another company, check that the various rates in the record are correct.
Transfer exists - an employee who has been transferred in from another company or employee number in your group has met an employee with the same number therefore the arriving record is ignored. The company and employee number of its origin are printed after the message. The employee should be manually reloaded with an unused employee number.
Update is –ve - during a statutory tax code adjustment a tax code would have gone *negative* so has been changed to '0T'.

INPUT FORM REJECTIONS

Already on file – a new employee's number already exists on the employee master file either as a leaver or as a current employee and the New Employee is therefore rejected. To allocate a number to a new employee you should ***always*** refer to the Employee Number Index printed with your last payroll and use any number not listed.
Employee has left - timesheet or temporary adjustments cannot be submitted for an employee who already has left, however Manual Cancellation and Payments can be entered.
Not on file - the employee number quoted is invalid or the employee was a leaver in the previous tax year and has therefore been deleted from the employee master file.
Excess timesheet - more than the permissible number of timesheets or clock cards have been entered for this employee.
Not due for payment - payment details have been included for an employee who is not due to be paid on the current run.

EMPLOYEE NUMBER INDEX

The employee number index shows the following:

- Employee numbers in use for the current tax year which includes leavers
- The Department and Pay station assigned to each individual
- The Date of Leaving for the appropriate individuals
- The next tax period restart indicator for suspended employees **Note**: if restart period is 60 the individual is suspended until further notice.

PAYROLL LISTING (Copy payslips)

The payroll listing is a report of all the information shown on the payslips plus certain memorandum figures. At the end of each department totals are provided giving a full breakdown of all pay elements.

Main heading line:

- Your payroll reference number is at the top left followed by the name of your payroll and then the department to which the page relates.
- Payslip date and tax period are shown
- The payroll will automatically be split into a separate section for each department.

Employee Payment Entry:

Relates to each employee section on the page and is divided into four columns: Payments, Deductions, Memoranda, Net pay and other information:

Payments

Hours: is the number of BASIC hours (input or generated). The column will also contain any hours, days or units that are the basis of calculation of a pay element. Hours are always shown as hours and minutes regardless of the use of the option for decimal hours on timesheets.
Rate: where a rate is held or calculated it will be shown here truncated.
Payments: the descriptive code and value of the payment on this run. A 'TF' indicates a tax free payment (see temp adj. code list) and will not be included in TAXPAY, all other payments are taxable. This facility has been provided to you or your auditors to simply reconcile the TAXPAY value shown in memoranda.
To date: shows the balance of any payments that are being accumulated. This includes statutory balances for the Tax Year and any custom elements for the year defined.
Total: these are the totals for the current period's hours and gross payments.

Deductions
Deductions: the descriptive code is shown as on Temporary Adjustment code list along with the value of the deduction on this run. A 'T' indicates a tax allowable deduction (see Temporary Adjustment code list) and will reduce TAXPAY.
To date: Shows the balance of any payments that are being accumulated. This includes statutory balances for the Tax Year and any custom elements for the year defined. Exhaustive (reducing) balance items such as loans will show the balance still outstanding.
Total: This is the total for the current period's deductions.

Memoranda
Memoranda: the descriptive code is shown as on Temporary Adjustment code list along with the value of the calculation on this run. Items with an * are system generated elements.
To date: shows the balance of any payments that are being accumulated. This includes statutory balances for the Tax Year and any custom elements for the year defined. Exhaustive reducing balance items such as loans will show the balance still outstanding.

Net pay and other information
Provides information relating to the employee
SSPAVG: from left to right shows the current average earnings scale followed by the two previous periods and these will have been updated to reflect any Manual calculations.
Pay type: shows the employee's pay type (S = Salaried, H = Hourly) followed by the automatic pay indicator (Y = automatically paid, N = not automatically paid). See **PAY TYPE**
SSP qualifying days: refer to glossary for more information.
SMP/SAP payment indicator: See **Appendix B – SMP**
Norm hrs: the normal (contractual) hours held in the employee record.
Tax cd: the current tax code.
NI number: the National Insurance number.
Letter: the National Insurance table letter.
Days: the number of SSP qualifying days if different to the company standard (see **Appendix A – SSP**)
The last line shows the employee number, name and net pay value. The letter after the pay denotes the employee's pay method: 'C' = Cheque, 'K' =Cash, 'T' = Bank Transfer and '-' = negative net. No payment type letter is shown on a manual calculation as no payments are made to the employee via the payroll.
Other information that may appear:
SMP/SAP start date: number of weeks and average weekly pay will appear when an employee has been set up to receive either SMP or SAP (see **Appendix B – SMP**).
Manual-adj: the entry is as a result of a manual calculation.
Suspended (NN): the employee has been suspended from further payment until the (NN) tax period shown is reached.
Joiner: indicates a new employee in the current period and the date of joining prints under the message JOINER.
Leaver: indicates a leaver in the current period and the date of leaving prints under the message LEAVER.
NI Gross line: this is a history of gross pay that has been subjected to NI and appears when SSP has been paid in the current period, or when a manual calculation has been entered or when specifically requested – see glossary.
Warning: a warning can be input to print here and is date driven.
Split net: appears when an employee's net pay has been split (see **Section 2 - Split Net**).
Attachment of earnings orders: appears as a separate section underneath each employee's copy payslip (see **Appendix E – AEO's**).
Car details: appears as a separate section underneath each employee's copy payslip (see **Appendix F P11D**)
Cumulative NI or Alternative NI: Appears when an employee's National Insurance (e.g. director registered at companies' house) is to be calculated on a cumulative basis (see **Section 2 – Directors N.I.**).

<u>Payroll Section Totals</u>:
Pay station totals: The pay station field is used to sub-divide departments and the end of a pay station will be marked by a line showing the coin analysis breakdown.
Departmental totals: On the last page of each Department the system will print a full analysis of payments, deductions, and net pay. Payments and deductions are further divided into Manual Payment/Cancellation and computer generated totals.
The coin analysis is summarised for the whole department with a breakdown of types of net payment to be made and any value appearing under ''-VE'' (negative) will not have been included in any net pay lists.
Journal Entries as well as being an optional basis for nominal postings show a build up cost for the department.

NIERS is the employer's N.I. contribution.
ERSPEN is a system-generated total of all employer pension calculations where there are multiple schemes.
SMP (Statutory Maternity Pay) will generate the recoverable SMP RC/SMP from the National Insurance.

Payroll Totals:
On the last page of the payroll listing for a company, the system will print a full analysis of payments, deductions, net pay, hours, days, and units.

Company & Department Totals:
The last page of each department shows a full summary of payments, deductions and net pay for that department, split between manual calculations and computer generated totals and includes a summary of net pay by payment method. If any employees have a pay method of 'K', a cash breakdown will also appear. Any negative net pay values will not be reported on BACS Credit transfer list, Cheque listing or Cash Breakdown summary.
Journal entries can be used as postings for a nominal ledger and provide a cost figure.

Company Totals:
The last page of the payroll listing provides an overall summary of the department totals with the addition of a quantity control and either P30B totals or an Employers Payment Record (see **Section 2 – HMRC Payments via BACS**).

NET PAY LISTING
This is a summary of the net pay by employee depending on the employees' net pay method:
BACS Credit transfer list: This provides full details of the company account to be debited together with the employee amounts and bank details to be credited. It is important that clients satisfy themselves that these details are correct prior to the BACS processing date.
Non BACS Payments: If the payroll is not live for BACS then an alternative net pay listing can be produced such as a Cheque listing.

EMPLOYEE RECORD CARD
This shows all the information held against the employee record at the point that it is produced and will automatically print for joiners, leavers and certain other amendments, subject to service level. In addition they can also be requested on any run.

TIMESHEET and TEMPORARY ADJUSTMENTS - see Section 2 - Glossary.

PAYSLIPS
- It is a legal requirement that employers provide their employees with a pay statement.
- Payslips for distribution to your employees show Payments, Deductions and Net Pay
- Any memoranda items designated to print only on the payroll listing will not be shown.
- The method of net payment is shown above the net pay as CASH, CHEQ or TFR.
- Manual payslips show a net method of MANL.
- The Moorepay system produces a sequentially numbered Security Mailer style payslip.
- Other optional features of the payslip include printing a message of up to 36 characters to all your employees (see under Action Record "MESSGE").

Payslips may be posted directly to your employee home addresses. Please contact the Moorepay Helpdesk if you wish to discuss this option.

ADHESIVE LABELS
Adhesive labels are available in two forms:
Adhesive labels for mailing are produced in the same order as the payslips and are requested with the 'LABELS' Action Record.
Adhesive labels for Clock card labels are requested with the 'LABELC' Action Record.

P45 PRINTING OPTION

P45 for leaver

- A P45 can be automatically produced for any individual when a date of leaving is input.
- From 6th April 2011 it is mandatory for ALL EMPLOYERS to submit P45 leaver information electronically to HMRC. .
- Moorepay are able to file Part 1 P45 information electronically on your behalf using EDI. (See **Appendix H – EDI In Year Filing**). Part 1A, 2 and 3 of the P45 will be printed and returned with the payroll output in the same order as the payroll.
- Until 5th April 2011 Employers with less than 50 employees can opt for paper P45's. If this option applies, all four parts will be returned with the payroll output.
- Tax District number and Reference number, and Employer Name and Address (for PAYE purposes) will be taken from the Payroll Control.
- The Total pay to date and Total tax to date figures will always be the latest *to date* figures held on the system inclusive of all Manual Payments/Cancellations figures.
- The Date of leaving entered via the Permanent Amendment form (code 09) must be the true date of leaving.

Note - The P45 notes are prepared in accordance with current HMRC guidelines (2009-10) and are correct at the time of writing. It is the user's responsibility to be aware of current statutory rules and guidelines and further information can be accessed on the HMRC website.

DATA (EXPORT) FILES

Data files can be produced by Moorepay in a .csv format. These files are usually produced to enable information to be fed into Nominal Ledger, Job Costing, or Pension returns. Where clients do not have Moorepay software for data exchange set up the data files are transferred to CD and returned by post. The general layout of the files is available on demand. The following points will give an idea as to the flexibility of the system:

- The file can be produced with or without employee details.
- The data fields output are chosen by you, according to your needs.
- Data fields can be values, balances (where available), rates, hours, etc.
- All data fields held in the employee record are available
- Information can be coded to your own company code structure e.g. Nominal codes

REPORTS (CUSTOMISED)

The Moorepay service can satisfy virtually any reporting requirement in either printed or data file (.csv) format customised to individual client specification.

SECTION 4 - PROBLEM SOLVING

The following is a brief and general guide to the solution of certain problems. We have tried to make the manual and the instruction sheets that accompany the forms as clear as possible to assist.
The most common TYPES of problem are:

1. An employee has not been paid (but should have been)
2. An employee has been paid (but shouldn't have been)
3. Someone has a large tax deduction/refund
4. An amendment 'hasn't worked'
5. An employee has been paid incorrect 'BASIC'.

BEFORE YOU TELEPHONE, PLEASE:

Check your Input List and Error Report for that employee.

- Do your intended entries appear?
- Are there any comments against them?
- Check the 'type of employee' details.

AN EMPLOYEE HAS NOT BEEN PAID

An employee will not be paid if:

- The record contains a date of leaving, or
- They are 'H'ourly paid with no Normal Hours (see Section 2 - Glossary under PAY TYPE) and a Timesheet has not been submitted
- New employee mandatory details have not been submitted
- They are 'S'alaried (see Section 2 - Glossary under PAY TYPE) but with a '0' period or annual amount, and a Timesheet has not been submitted
- A submitted timesheet has been rejected
- They have been put on holiday in a previous period and is not yet due to return (see Section 4 – Glossary under Tax Period of Next Payment)
- Code 39 (see under Tax Period of Next Payment) has been set to a future tax week (or month) on a Permanent Amendment.

AN EMPLOYEE HAS BEEN PAID

An employee will be paid if:

- They are 'S'alaried (see Section 2 - Glossary under PAY TYPE) and no action has been taken to stop him being paid.
- They are 'H'ourly paid (see Section 2 - Glossary under PAY TYPE) and a Timesheet has not been submitted but there are Normal Hours in his record.
- They should be on holiday, but have been cleared on a Permanent Amendment by setting code 39 to '0'.
- A Date of Leaving was entered in the current period but no action was taken to stop the final payment.
- A Date of Leaving should have been entered in the previous period but the entry was missed (or not processed correctly - this should have been discovered when checking your input form controls.)
- They were reinstated (date of leaving removed last period to enable payment) but the Date of Leaving was not re-entered this period.
- Tax refund generated - an entry of zero basic hours or basic over rider on a timesheet will result in a calculation for the employee for zero hours (i.e. generally a tax refund).

SOMEONE HAS A LARGE TAX DEDUCTION OR REFUND

This might be caused by:

- A budget change. If personal allowances are increased, most employees might expect a refund.
- A wrong tax code. Check the input list and error report; check your input entry; check the P6/P45.
- Wrong pay or tax balances. This might occur if P45 figures are wrong, or if a Manual Payment/Cancellation has not been actioned correctly.

AN AMENDMENT HAS NOT WORKED

- Check your input list and error report.
- Check your input entry.
- Check the instructions for that entry in the manual. Have you made a conflicting entry?

Input information for an employee is processed in the order: New Employee, Manual Payment/Cancellation, Permanent Amendments (in code order), Timesheets and Temporary Adjustments.

For example: New Employee entries may be amended by entries on any other forms.
A Permanent Amendment code 49 (Salary per Pay Period) will override a code of 40 (Annual Salary) on the same run (because 49 is higher numerically than 40).

AN EMPLOYEE HAS BEEN PAID INCORRECT 'BASIC'

- Check if the rate of pay has changed.
- Check that any amendment has been actioned correctly.
- Check if you have entered any Temporary Adjustments.
- Check if the rate was entered with a decimal point (indicating a decimal part of a penny), or not.
- Check if the correct hours were either input, or in their record.

Most problems can be solved by checking the input list and error report. as described above. The relevant information about an employee is shown on every run of the Payroll Copy/employee record print.

APPENDIX A - STATUTORY SICK PAY

THE SCHEME

Since the 6th April 1983 employers have been responsible for paying Statutory Sick Pay (SSP) to their employees. The scheme was introduced to remove the administration of state sickness benefit from the DWP. All responsibility for the administration and payment of sickness benefit has been completely handed over to the employer. SSP is a scheme that the DWP set up to ensure that a minimum payment is received by all employees who are absent from their employment for a period of time due to sickness. SSP is paid on the next available payday after SSP is due. Employers are not able to recover any payments of SSP unless they qualify for the Percentage Threshold Scheme. However, there are certain situations that can arise whereby the responsibility for administering an individual's sickness is transferred to the HMRC.

TO QUALIFY FOR SSP

For an employee to qualify for SSP the average earnings over a period of 8 weeks (weekly based payrolls) or 2 months (monthly based payrolls) must be greater than the NILEL (£95 for weekly and £412 monthly 2009/10). The Moorepay system calculates the weekly average by storing the total taxable pay each week or month shown on the copy payslips in the memoranda column with the description SSPAVG. SSP is then paid at the weekly published rate. A daily rate is calculated by dividing the weekly rate by the employees' qualifying days.

RATES FOR SSP

Prior to April 1995 there were two levels (rates) of SSP 'L' (lower rate) and 'H' (higher rate) based on average earnings however on the 6th April 1995 these two rates were consolidated to one single higher rate, however the system retains the ability to hold the two rates should the Government wish to alter this setup.

COMMON TERMS USED

Qualifying days: These are determined by the company and are normally the standard working days of the employee i.e. Monday to Friday (5 days)
PIW: ''period of incapacity for work'' is a period of sickness of 4 consecutive calendar days or more.
Waiting days: The first 3 QUALIFYING days of a new (or un-linked) PIW, for which SSP is not payable.
Linked PIW: A PIW following a previous PIW that is separated by 56 calendar days (8 weeks) or less.
Payment Days: The number of QUALIFYING days of SSP that are due for payment.
Weekly Rate: The rate at which SSP is paid.
Daily Rate: The WEEKLY RATE divided by the QUALIFYING DAYS.
Offsetting: If a company operates a sick pay scheme (or pays employees while they are sick) it does not have to pay SSP as well as company sick pay. It can OFFSET the SSP against the company sick pay as long as the total sick payment, for the SSP payment days, is greater than or equal to the SSP being calculated. In this way, the employee receives the same amount of money. When an employee is off sick you are expected to take appropriate action to ensure that the absence is legitimate through appropriate notification and evidence. You must record the details of the sick period on Form SSP2 (or equivalent). If the period of sickness is not a PIW then no further action need be taken. It is only when a PIW is recorded that a number of procedures have to be followed in order to determine the correct amount of SSP to pay.

DETAILED PROCEDURE

The following steps should be carried out to ensure SSP is administered correctly however for more detailed procedures please refer to the HMRC website.
1. Establish if there is a Period of Incapacity for Work (PIW) (4 consecutive calendar days or more).
2. Record the details of the PIW. Retain these records for a minimum of 3 years after the end of the current tax year.
3. Establish if the PIW is linked to a previous PIW. If not, the first three QUALIFYING days of this new PIW are waiting days (for which SSP is not payable).
4. For a new PIW establish if the employee is excluded from SSP. Check the exclusions list on form SSP1. If any apply, complete and issue the SSP1 form and do not pay any SSP. Note: you may need to stop the employees pay.
5. Check to see if there is any Reason for Transfer (form SSP1) to HMRC.
6. If there is any reason to doubt the employee incapacity to work contact HMRC for advice.
7. Check appropriate notification given. If you are not satisfied, you may withhold SSP from the employee, contact HMRC for advice.

8. Before you can make a payment of SSP identify the employee's payment rate from the scale code shown on the payroll. If the PIW is linked, you must use the rate of SSP as per the previous PIW. Scale code '0' is below the threshold and no SSP is payable.
9. Determine the number of days in the PIW to be paid (total QUALIFYING days in the PIW less any waiting days) and the rate at which the SSP is to be paid.
10. If you make a payment of SSP, you must add the number of days (or value) you are paying to your record of the balance of SSP paid to date, remembering that SSP is only payable for a maximum of 28 weeks, in any linked PIW within a 3-year period.
N.B. If the PIW is not linked to a previous one, the balance of SSP is re-set to 28 weeks i.e. the 28 weeks can only be made up of continually linked PIWs.
11. If the balance of SSP weeks paid exceeds 22 weeks you must issue form SSP1 to notify DWP that the employee will be transferred to them when the 28 weeks SSP limit has been reached.
12. When all the procedures above have been actioned and checked, make the SSP payment.
13. At the end of each month check if you qualify for the "Percentage Threshold Scheme (SSP Recovery)"for that month. If you do, you need to withhold the excess from your payment to HMRC.

POINTS TO REMEMBER

The SSP payment level is fixed throughout the PIW or LINKED PIW.
SSP is not confined to a tax year (i.e. the balances are carried forward to the new tax year).
There is a 28-week limit for payment of SSP, if the PIWs continually link over a 3-year period. When an employee leaves, a leaver statement (SSP1/L) may have to be completed.
Currently (2010-11) there is only one rate of SSP payable, based on limits of average weekly earnings. These earnings limits are translated into a 'Scale Code' on the payroll system: 0 - nil; H - High (standard).
As each new employee joins, their record will build up as below. Every payroll print will show the current scale code for each employee, and the scale codes relating to the two previous normal paydays, e.g.: H (H/0). All holiday payments are allocated to the tax week when they are paid. This means that the earnings for the holiday weeks absent will normally be zero, unless there is any overtime. (see **Section 3 - Output Documents**, for their exact position).
As soon as SSP is paid to an employee (or when there is a manual payment), the earnings for each individual period will be automatically reported for reference purposes, thus:
N.I.GROSS 03-45 220.80 500.00 541.40 208.72 149.50 112.37 80.05 etc..... '03-45' identifies the tax periods of the earnings (latest to oldest) displayed.
You may request this information to be printed for an employee at any other time by completing a "Permanent Amendment" (code 21) followed by an 'X' in the 'New Content' column (not effective when using Action Record NOPROC).

QUALIFYING DAYS

The standard number of SSP Qualifying Days may be held for the company as part of the Payroll Parameters. Every new employee will automatically have these default qualifying days added to their record. Those employees who are not on the standard number must have their own record amended on a Permanent Amendment, (code 36) with the number of qualifying days.
If you have any employees whose qualifying days vary from week to week then this option will not work for your payroll and SSP payments must be input as decimal parts of a week for the whole company. In these cases, a special column will be allocated on the "Timesheet" to enable decimal weeks to be input.

PAYING SSP ONLY

SSP is intended to be the minimum weekly rate to be paid to employees who are sick. Payment of SSP is reported as a whole number of days for the appropriate scale code (followed by '00'). On the "Timesheet and Temporary Adjustments" the Descriptive Code used for days at scale 'H' (no offset) is **SSPHOT**

For example;
This is a New PIW and the employee does not qualify for Company Sick pay
Employee works Mon – Fri (qualifying days = 5)
They are paid a salary of £12,000 per annum (£1000 per period)
They are sick for 1 complete week (i.e. 5 days)
Number of SSP days to be paid = 2 (5 qualifying days minus 3 waiting days)
SSP weekly rate = 79.15 (as at 2010-11)

Employee Number	Description	£££££.pp
76924	SSPHOT	200
76924	BASIC	-(230.76)

SSP will be paid on top of his normal salary by notifying a Temporary Adjustment. Therefore, the basic will also need be adjusted. 12000.00 / 52 / 5 X 5 = 230.76

Payslip will show: BASIC £769.24 (adjusted basic)
SSP £31.66

If there are 5 Qualifying Days in the record the system would pay 2/5ths of a week at scale 'H'. The correct scale is the one shown on the last payroll before the employee went sick. If it is 'H', then you must use 'H' (or the appropriate high weekly rate) throughout the PIW, or linked PIW, regardless of any change in average pay during sickness.

OFFSETTING SSP

Companies who pay full pay for employees off sick can OFFSET the statutory amount of SSP against money being paid for the same qualifying sick days. Payment of SSP is normally reported as a whole number of days for the appropriate scale code (followed by '00'). On the Timesheet and Temporary Adjustments the Descriptive Code used for days at scale 'H' where SSP is offset the codes **SSPHDY** is used (see example).

For example;
This is a New PIW and the employee does not qualify for Company Sick pay
Employee works Mon – Fri (qualifying days = 5)
They are paid a salary of £12,000 per annum (£1000 per period)
They are sick for 1 complete week (i.e. 5 days)
Number of SSP days to be paid = 2 (5 qualifying days minus 3 waiting days)
SSP weekly rate = 79.15 (as at 2010-11)

Employee Number	Description	£££££.pp
76924	SSPHDY	200

SSP will be offset (shown as a notional).
The basic will not require and adjustment

SSP will be offset against BASIC (it can be offset against any other taxable payment that is nominated by the company).

Payslip will show: BASIC £1000.00
SSP £ 31.66
SSPADJ £ (31.66) -

Offsetting can only be made against money paid for the same days that SSP is being paid for, it is essential that the sick money for those days is separately identifiable where there is any danger of the daily rate paid by the company being lower than the daily rate of SSP.

BRIDGING A TAX YEAR

Moorepay will always apply the current tax year weekly rate of SSP for the scale quoted. Adjustments to old rates of SSP must be entered by quoting the Descriptive Code 'SSP' and the cash amount to be adjusted, and a negative amount of 'SSPADJ' where offsetting is to occur.

NEW EMPLOYEES / LEAVERS

If a new employee falls sick within the first 8 weeks of employment, you should ask them if they were given a leavers statement (SSP1/L) from their previous employer. The leaver's statement shows the date that the last PIW ended which may result in the gap between the two being less than 8 weeks. Although a PIW in your employment cannot link with a PIW from a previous employment, the leavers statement may reduce your liability to pay SSP (i.e. reduce the 28 weeks SSP entitlement). When an employee leaves check to see if he has had a PIW ending in the past 8 weeks leading up to the termination of employment. If so, you must issue them with a leaver's statement (SSP1/L). Refer to HMRC website for detailed instructions on the use of leavers' statements

PERCENTAGE THRESHOLD SCHEME (SSP RECOVERY)

From 6th April 1995 the Percentage Threshold Scheme was introduced to help employers of any size who have a high proportion of the workforce sick at any one time. The new scheme applies to days of incapacity paid from 6th April 1995. Under the new scheme you must examine the total SSP paid in a tax month. If it exceeds 13% (as at 2010-10) of the total of Employee and Employer Class 1 N.I. contributions for that month, the excess can be reclaimed. If you qualify for one month, you do not automatically qualify for the next. The calculation must be done on a month-by-month basis. Small Employers who pay their tax and N.I. quarterly would, therefore, recover any SSP quarterly. However, the month-by-month calculation still applies. If you have more than one PAYE scheme use the combined N.I. figures and combined SSP figures before making the calculation.

WARNING MESSAGE and OTHER FACILITIES

The system will raise queries where possible on any incompatibilities regarding the payment of SSP. Comments will be printed both on the input listing and above the employee's name on the payroll. **SSP PAYMENT QUERY** means either that SSP payment has been made for an employee on N.I. Table 'C' or 'X' (or their mariner's equivalents).Other facilities include the ability to print (in analysis form) any information you need regarding the administration of SSP - particularly useful where a separate personnel department is involved.

APPENDIX B – STATUTORY MATERNITY / ADOPTION and PATERNITY PAY

THE SCHEMES

Detailed rules for operation of **Statutory Maternity Pay** (SMP), **Statutory Adoption Pay** (SAP) and **Statutory Paternity Pay** (SPP) can be found on the HMRC website. The following instructions are not intended to replace these rules, but to give a broad summary of payment rules for operation in the Moorepay system. SPP and SAP were first introduced from April 2003. The user should refer to the HMRC website where required.

Since April 2007 all employees are entitled to 52 weeks leave irrespective of length of service. SMP is payable for 39 weeks for those employees who are eligible. The first six weeks (referred to later in this document as 'the higher rate') is paid at 90% of average weekly earnings or the standard SMP rate (whichever is greater), the remaining 33 weeks are paid at whichever is lower. Please refer to the HMRC website for current SMP rate.

SAP is different, in that it is paid for all 39 weeks at 90% of average earnings or the standard SAP rate, whichever is lower.

The system facilities for handling SMP and SAP are identical. Therefore, these two topics are dealt with together. **Statutory Paternity Pay** (SPP) is dealt with separately at the end of this Appendix.

STATUTORY ADOPTION PAY

Follow the rules for Statutory Maternity Pay below, except the **Absence Type** should be entered as 'A' using **Permanent Amendment** code T20. This identifies the payment as being made under the adoption rules.

All system-generated payments will then appear as 'SAP' rather than 'SMP'. Methods of calculation and rates of payment are similar for both types.

In the notes below, for 'SMP' read 'SAP', for 'MPP' read 'APP'; for 'childbirth' read 'placement', for 'EWC' read 'EWP'.

STATUTORY MATERNITY PAY

HOW TO INPUT SMP/SAP ON PAYROLL

Before using SMP/SAP please check that the following:

PAY PERIOD

The system calculates the number of SMP Weeks based on the **pay period** to which the payroll relates. **Before you start to use the automatic SMP facility, please check the pay period on your latest payroll.** The pay period prints on the **Contact Sheet**, which is the first page of your payroll output and appears in the 'Key payroll details' section at the top of the page, below the 'Paid to' date. If the '**Pay period - From: dd/mm/yy to: dd/mm/yy**' details are incorrect, please contact the Helpdesk immediately to correct the dates for that tax period so that future runs will be correct.

SUBSEQUENT SMP WITHIN TAX YEAR

If a subsequent SMP occurs in the same tax year, the balances of SMPWKS and SMPHWK should be cleared using a **Manual Payment and Cancellation** form. **Permanent Amendment** codes T20-T24 must also be completed to ensure that previous entries are overwritten. (See How to Input SMP on Payroll below). Please contact the Moorepay Helpdesk for advice

During the MPP you may need to suppress basic pay and/or regular additions and/or regular deductions, depending on contractual arrangements. The following amendments are required to set up a new SMP payment:

Instruction	Code	Explanation
Absence type	T20	Because SMP and SAP are notified in a similar manner, the system needs to know the **Absence Type**. Enter 'A' for Statutory Adoption Pay, 'M' for Statutory Maternity Pay. If no entry is made in this field, the systems will assume 'M'.
Payment start date	T21	**Maternity (Adoption) Pay Period** start date. Maternity Pay Period can start on any day of the week the employee chooses, in order to align SMP payments and in accordance with the date the employee gives notice to her employer of the day she wants SMP to start. This would normally be notified at least 28 days in advance. You are obliged to make a number of eligibility checks at this date, before commencing payment of SMP. This date is also used to look up the standard rate of SMP to be paid for each period, according to the published rate table.
Payment weeks	T22	Enter the total number of SMP weeks to be paid usually 39. It may be reduced from the 39 week maximum if the employee returned to work early or it becomes ineligible for some other reason, please refer to HMRC in these circumstances.
Average earnings	T23	The value of SMP/SAP paid depends on the average **weekly** earnings at the Qualifying Week (the fifteenth week prior to the expected week of childbirth - EWC). This average is the same that is used for SSP and should be taken from the pay date prior to the last day of the qualifying week. The average appears in the **Memoranda** column of the payroll listing under the heading 'SSPAVG'. The average value printed on the relevant payroll may have to be updated manually to reflect any relevant manual adjustments that have been entered into the system in later periods so please check any subsequent payrolls for manual adjustments that may affect this.
Small employer	T24	Enter 'Y' to claim **Small Employers Relief**, otherwise 'N' will be assumed. If the annual liability for National Insurance contributions is less than £45000 (2008/09 limit), you can claim this relief. Always check the rules that apply at the employee's qualifying week. The HMRC will clarify your position. See also the separate section below on **Small Employers Relief**.
Payment Status	T19	This is used for varying normal payments and deductions. The 'Payment Status' is actioned within the payroll period when an SMP or SAP payment is made. It controls the payment of other regular additions, deductions, and memoranda payroll items. Its action can be inhibited by other input, such as arrears overtime hours being notified on a timesheet. Please read the notes on each option carefully, and contact the Helpdesk for further advice. Select one of the following: Enter **'P'** to suspend payments. The system will **suspend normal BASIC pay and regular additions**. Regular deductions are taken as normal, as are percentage calculations, Statutory deductions, Memoranda and Company pensions. Temporary payments may be made on the **Temporary Adjustments** form and timesheets may be entered with cash entries. It should be noted that if a timesheet is entered with notification of any **'hours'** (e.g. arrears of overtime hours), regular additions will be generated. To stop this, a variation of 98, new content of '0' must be entered on a **Permanent Amendment**. The system will automatically change this field to type 'S' (see below) when SMP is exhausted. OR '**A'** to **suspend regular payments and deductions**. The system will behave exactly as in 'P' above, but will also suspend Regular deductions. Temporary payments may be made as in 'P' above. If any timesheet **'hours'** are notified as above regular additions and deductions will be generated and variation codes of 98 and 99 with a new content of '0' must be entered on a **Permanent Amendment**. The system will automatically change this field to type 'S' (see below) when SMP is exhausted. OR **'N'** for normal processing. This will generate all regular payments and deductions. This can be used if paying normal pay plus SMP (which is rare although some clients offer this to their employees). This is mainly used when employee is returning to work *after* all SMP has been paid in the previous pay period. (See Returning to Work Final Payment) below. OR **'R'** for an employee returning work *during* the last SMP payment period. This will stop the system suspending the employee and you should make any adjustments as appropriate for the part period payment. Final SMP week payments will be made on top. (See Returning to Work Final Payment) below. OR **'S'** to stop all processing for this employee until further notice. Any **Timesheets and Temporary Adjustments** entered will be rejected. When SMP is calculated by the system, this field is automatically changed to 'S' when SMP is exhausted. This

		will stop all further automatic payments and deductions when SMP has been exhausted and you wish to hold the employee in case of later return to work, when payment status can be amended to 'N' for normal processing. If only some elements (additions or deductions) are to be stopped during the MPP, either zero individual rates on a **Permanent Amendment**, or use 'P' or 'A' above with appropriate **Timesheet** or **Temporary Adjustment** entries. The content of **Payment Status** (if not 'N' for normal) is shown on the copy payslip under the 'Pay type' heading (e.g. S/Y/7/**A**, S/Y/7/**P** or S/Y/7/**S** representing A, P or S respectively) or on the Record Card as a message under 'SMP Status'.

The system initiates SMP payments in the first payroll pay period in which the **Payment start date** (T21) falls. Only then will the **Payment Status** (T19) specified be actioned. Therefore it is likely that the first payment period for SMP will require an adjusting entry if the start date is not for the complete period. Although the system will generate the number of SMP Weeks dependant on the **Pay Period** any regular payments and deductions may not be generated (dependant on the Payment Status T19).

Maternity is paid in arrears on the week ending date which is determined from the Payment Start date entered. The amount of SMP Weeks payable each period will be the number of Maternity Week Ending dates within your payroll **Pay Period** (see The Pay Period). For example, if the start of Maternity is a Sunday then the week ending date is a Saturday.

The Moorepay system currently calculates Maternity weekly and does not allow for Maternity to operate split tax weeks. This can be entered manually (see Entering SMP Manually below).

HOW SMP/SAP SHOWS ON PAYROLL

The payment and recovery payroll elements have been made specific to either Maternity or Adoption as they are subject to individual returns on the end-of-year P14. Maternity payment is shown SMP and the recoverable of SMP is shown as RC/SMP. Adoption is shown as SAP and RC/SAP. However the total of complete SMP weeks paid at the higher rate will both be shown as description 'SMPHWK' in the **Memoranda** column, as will 'SMPWKS'. SMPWKS is the total of complete SMP weeks paid at either rate. The descriptive codes SMPWKS and SMPHWK are used for both Maternity and Adoption cases.

RETURNING TO WORK EARLY

If an employee returns to work earlier than the SMPWKS already advised on code T22 (Payment Weeks), the number of **Payment Weeks** must be reduced accordingly. As soon as you have agreed a return date, enter a Permanent Amendment code T22, new content will be the 'total' number of maternity leave weeks payable. For example, if field T22 was originally set to 39 but the employee is to return two weeks early, the amended new content should be entered as 37. The employee Payment Status will also need to be amended (see below **Returning to Work Final Payment**).

RETURNING TO WORK FINAL PAYMENT

When paying SMP to an employee for the last time, the system will generate a change to Payment Status of Suspend (Permanent Amendment code T19 of 'S') immediately after the last SMP week has been paid. This will **suspend** the employee from further payments indefinitely.

If the employee is to resume employment in the same payroll period that the SMP is exhausted, an entry in Permanent Amendment Code T19 to 'R' (returning) will stop the system suspending the employee. When you make adjusting entries for the part period please be aware that any previous instruction in **Payment Status** (T19) has now been deleted, so any regular **payments and deductions** will be generated.

If the employee returns to work in a subsequent payroll period *after* the employee Maternity has been exhausted and the Payment Status has been generated to 'S', Permanent amendment code T19 to 'N' (normal payment status) will resume regular **payments and deductions.**

EARLY PAY-OFFS

An employer may want to pay off the whole amount of SMP at an early stage, rather than producing payslips on a regular basis. A Temporary Adjustment entry of SMPWKS will indicate a number of extra SMP weeks to be paid in the current pay period. An entry of SMPWKS '2' would pay an additional two weeks, while an entry of SMPWKS '99' would pay all remaining weeks. The system will pay the appropriate number of 'High' weeks, and will not allow the total weeks paid to exceed the content of Permanent Amendment **Payment weeks** (T22).

MANUAL ADJUSTMENTS

On **Manual Payments and Cancellations** involving SMP, the system calculates the recoverable amount, so entries against 'SMP/RC' and 'SMPNIC', or the Adoption equivalents 'SAP/RC' and 'SAPNIC', are not required. Remember to quote SMP (or SMPSER for small employers relief)/ SAP (or SAPSER for small employers relief) and SMPWKS and SMPHWK as appropriate.

WARNING MESSAGES

Once fields T20-T24 have been completed, the system checks for the validity of all the fields required. If any field is not valid, calculation will not proceed. Where this is the case then one or more of the following messages will appear on the input list and error report, as appropriate (M/A refers to Maternity/Adoption pay):

- M/A weeks invalid; M/A average invalid (i.e. negative);
- SMPWKS bal invalid (i.e. negative or greater than Code T22);
- SMPHWK bal invalid (i.e. negative or greater than 6);
- M/A not calculated - if any of the above errors have been reported.

OFFSETTING

If you are making payments during the MPP, according to contractual arrangements, you are allowed to offset SMP against them.

ENTERING SMP MANUALLY

Instead of using the automatic method to calculate SMP (SMPSER Small Employers)/SAP (SAPSER small Employers) you can manually enter this for each payroll period, and enter the amount on a **Temporary Adjustment or Timesheet Adjustment**. Make any other adjustments as you would normally. The system automatically calculates all recoverable amounts.

TAX YEAR END

At the end of the tax year, the system automatically clears SMPWKS and SMPHWK, and fields T20-T24 if the MPP/APP is fully paid.

KEEPING IN TOUCH (KIT) DAYS

The employee may work for her employer whilst on maternity leave for up to 10 Keeping In Touch (KIT) Days. The employee is normally paid her contractual rate of pay for the hours/days worked, but these monies need to be offset against the SMP for that week. When an employee chooses to take advantage of a KIT day/s the minimum payment she must receive for that week is her SMP. Please consult the HMRC Employers helpline for further guidance.

FORTNIGHTLY AND PERIODIC PAYROLLS

The number of SMP weeks to be paid on any payslip will follow the normal rules according to the number of tax weeks covered (i.e. 2 or 4 weeks respectively).

When paying SMP to an employee for the first time, you may want to vary the number of SMPWKS from 2 or 4 respectively. A negative adjustment to SMPWKS must be made on each respective week's timesheet where SMP is not to be paid, along with notification of basic and/or other pay adjustments and a blank timesheet must be submitted for each of the remaining weeks (depending on your chosen content of field T19).

For interim SMP weeks payments employees who are paid automatically (i.e. pay types S/Y or H/Y), SMP weeks (2 or 4) will be generated automatically each processing run. For employees not paid automatically (i.e. pay types S/N or H/N) a 'blank' timesheet must be submitted for each respective week of the pay period.

When paying SMP to an employee for the last time if the SMPWKS due are less than 2 or 4 then a 'zero' timesheet must be submitted for each week where SMP only is due. If the employee is paid automatically (i.e. pay types S/Y or H/Y) pay will be generated for the remaining weeks of the pay period. If the employee has not returned to work for the remaining weeks of the pay period you must also submit a 'zero' timesheet entry. If the employee is returning to work you will need to pay the employee the remaining number of weeks pay, you will need to amend the Payment Status on a Permanent form code T19 'R' on the current payroll to allow regular payments and deductions to be made and then submit a Permanent amendment code T19 to 'N' (normal payment status) on the **following Pay Period** to resume **payments and deductions.**

SMALL EMPLOYER'S RELIEF

Entitlement to 'Small Employers Relief' (SER) is based on annual National Insurance (NI) contributions. Eligibility applies if an employer paid, or was liable to pay, a total of employee's and employer's Class 1 NI contributions but not Class 1A NIC's (employer's NI in respect of benefits in kind) of £45,000.00 (2009/10 limit) or less in the qualifying tax year. The qualifying tax year is the last complete year before each pregnant employee's qualifying week or the adoptive parent's matching week.

In some cases, eligibility for SER is not obvious (e.g. relatively new businesses). The system is unable to determine automatically if this relief applies to your payroll or not because it is an 'employer' claim and not a 'payroll' claim. The system cannot take into account the following issues:

a) Many clients are part of a larger organisation, in these cases you would probably not qualify as a small employer.

b) Some clients do not process <u>all</u> of their payrolls with Moorepay. For operational reasons they are processed by other means.

c) Many clients process more than one payroll (e.g. a weekly and a monthly, or more than one weekly/monthly). An individual payroll may qualify but the <u>combined</u> total of gross contributions may disqualify the claim.

Only you can decide if you think you are eligible for SER but we suggest you consider it only if and when SMP, SPP or SAP cases arise. If you have any doubts at that time, the HMRC Employers Helpline will be able to advise accordingly.

The system will calculate SER if the correct instructions are given. SER is claimed for each individual SMP or SAP occurrence. Once initiated, the recoverable is calculated at 100%, rather than 92% and a further 4.5% in respect of NI Compensation (NIC), deemed to offset the administrative burden placed on Small Employers. Both SER and NIC are calculated automatically, on a cumulative basis.

The system will make the payment of SMP or SAP using a different system element. For SMP this is SMPSER (SMP with Small Employers Relief), and for SAP it is SAPSER.

The payslip description for both types of payment are the same, but remember to make manual adjustments quoting the correct short description (SMP or SMPSER) that the system generates by reference to the payroll listing to ensure that recoverable amounts are correctly calculated.

The current recoverable rates for small employers (as at 2010-11) are 'Recoverable SMP' (RC/SMP) at 100% of SMPSER, with 'N.I. compensation' (SMPNIC) at an additional 4.5% of SMPSER. Most employers will only be due the standard Recoverable SMP at 92% of SMP, with no NI compensation.

The claim is made for each payment event. See Permanent Amendment T24 above. Similarly, Small Employers Relief can apply to Statutory Paternity Pay.

PAYROLL COST CALCULATION

SMP paid is treated as a cost to the company. An element 'SMP/RC' is generated to reflect the total amount of recoverable SMP, and, together with SMPNIC (for Small Employers), will be subtracted from company costs shown on your Company Totals page.

STATUTORY PATERNITY

Introduced in April 2003, this is a statutory entitlement for paternity leave. The Paternity Pay Period (PPP) is a consecutive 2 week period. The weekly rate for payment of SPP is the statutory rate or 90% of the employee's average weekly earnings at the QW or matching week whichever is the lower**.**

Payment of SPP is submitted as a temporary cash amount on a **Timesheet** or **Temporary Adjustment** using the descriptive code SPP. However, if **Small Employers Relief** applies, the descriptive code SPPSER should be used. The system can then correctly calculate both SPP/RC (the recoverable amount) and SPPNIC (the NI compensation amount for Small Employers).Remember that you may have to adjust the employees' Basic pay.

THE Moorepay Administration Service

If your payroll knowledge does not extend to the level required to action the contents of this appendix, you may wish to know about the Moorepay Administration Service. The service is designed for those clients who find it neither easy nor cost-effective to struggle with ever-changing payroll legislation. Moorepay will take over your payroll functions completely. Payroll instructions are accepted in plain English and all HMRC and DWP forms and correspondence are dealt with by Moorepay. If you wish to know more about this service, please contact the Moorepay Helpdesk.

APPENDIX C - PENSIONS

OUTLINE

When setting up a new pension scheme you will be sent a Pension Specification which will need to be completed and returned prior to any changes to your Company parameters. This will ensure we have a complete understanding of your requirements and allow us to set up the pension scheme to your exact specification. **It is vital when setting up a new pension scheme that you thoroughly check the first payroll output with the new pension calculations to ensure the scheme is operating correctly.** If you have concerns about any of the calculations of pension or the effect on Tax or National Insurance contributions please call the Moorepay Helpdesk.

If you are using BACS to pay your employees Moorepay are able to generate payment to your Pension provider at the same time (see **Section 2 – THIRD PARTY PAYMENTS**)

The system caters for;

- Stakeholder Pensions
- Group Personal Pensions
- Salary Sacrifice Pensions
- Contracted-out, tax allowable Pensions:
  Both Contracted-Out Money Purchase Schemes (COMP) and Contracted-Out Salary Related (COSR)
- Contracted-in, tax allowable Pensions
- AVC's related to the schemes above
- Free standing AVC's
- Widows and Orphans Pensions

CONTRACTED-OUT MONEY PURCHASE SCHEMES (COMPs)

Special facilities exist within the system for COMP schemes.

Members of COMP schemes pay contracted-out National Insurance. Unlike S2P and COSR schemes, COMP schemes do not provide pension benefit related to salary. The DWP have ruled that a minimum contribution be made, by the employer, to a Protected Rights Fund. This minimum is equal to the total rebate that employee and employer receive by contracting-out. In simple terms this is the difference between the contribution rates for tables A & D (or equivalent).

The system, on request, can maintain balances for the year-to-date of the difference between the actual National Insurance deduction, and the amount that would have been deducted if the employee had not contracted out. These are recorded for the employee in an element described ''EECOMP'', and for the employer in ''ERCOMP''. It is the total of these two balances, representing the minimum contribution, for which you as an employer are responsible.

If you have asked us to maintain COMP minimum balances, the system will print a warning, on the input list, if the accumulated employee and employer COMP scheme balances are less than the year to-date COMP minimum balances. It is then your responsibility, with the advice of your pension provider, to correct any under funding of the Protected Rights Fund, if considered necessary.

If you use this facility you must allow for any adjustment to the ''EECOMP'' & ''ERCOMP'' balances when entering **Manual Payments/Cancellations**, to correct NI calculations.

We recommend that you inform your pension provider of the COMP minimum facility provided by the system, as it is likely to help them administer the scheme. The balances of ''EECOMP'' and ''ERCOMP'' shown on the balance control represent the contributions that should have been made to the Protected Rights Fund for the tax year to-date. In the absence of this information, the pension provider may be forced to over-estimate mid-year reserves for protected rights. As an additional option a detailed end-of-year pension report would show the accumulated balances of COMP minimum contributions, total contributions, and earnings, for each employee in the scheme.

SCON Numbers and RECENTLY CONTRACTED-OUT SCHEMES

COMP (contracted-out money purchase) schemes are eligible for an age related incentive paid by HMRC to the scheme. All employees who are members of a COMP should have an SCON number in their record for recording on the P14.

PERSONAL PENSIONS

Personal pensions are individual arrangements between employees and pension providers (e.g. insurance companies), and are portable between employments. The employee's contributions are paid out of net pay, net of basic rate tax relief, with any higher rate tax relief being allowed for in the individual's tax coding.

EMPLOYEE CONTRIBUTIONS

It is generally accepted that there is no necessity for employers to be involved in the collection of employees' Personal Pension contributions unless the employer is also contributing. A simple direct debit, from employee to pension provider, would be the norm. This will also in the long run, be a more practical method of managing contributions, as a single employer could have employees who are members of many schemes, possibly with a different pension provider for each employee. This situation would obviously present a payment administration problem. Where an employer enters into an arrangement with a pension provider to offer a Group Personal Pension, the natural movement of staff, with new employees arriving with their own PP's, might erode some of the initial administration benefit.

If you wish to manage employees' contributions to their own PP's, a simple net deduction, together with a summary listing of members' contributions collected – by scheme – should suffice. National Insurance should always be deducted at the full rate. If the PP is contracted-out, the pension provider will be credited with the contracting-out rebate directly from the DWP at tax year-end. No adjustment to National Insurance contributions takes place.

EMPLOYERS CONTRIBUTIONS

It is possible that you could decide to make an employer's contribution to your employee's Personal Pension. If you do, you may wish to manage that contribution through the payroll. These contributions have the same administration drawbacks as described above. If you wish to include these employer's contributions in the payroll, we would set up an employer's PP memorandum element on your payroll(s), which would be included in the total cost figure for analysis. In addition, we could provide a listing of contributions, by membership number and PP scheme, with a page throw on change of scheme. This listing could be used as supporting detail for your remittance to each pension provider.

APPENDIX E - ATTACHMENT of EARNINGS ORDERS (Court Orders)

BACKGROUND

Under The Attachment of Earnings Act 1971 individuals who should have paid debts, fines or maintenance payments, and have not done so, can have money deducted directly from their pay by order of a court.
An Attachment of Earnings Order' (AEO) or Deduction from Earnings Order (DEO) is given to the employer, who has no choice but to comply with it.

THE ORDER

The order should contain the following information:

- The employee's name and address
- Court reference / name and address
- The amount to be deducted each pay period (or each day on type ''Q'' orders). Not supplied on type ''C'' ''F'' or type ''R'' orders (where tables are used)
- The amount of earnings to be protected each pay period (not applicable to type ''C'' or type ''R'')
- The total amount owing (if applicable)
- The type of order, which determines whether the order is Priority or Non-priority.

An order should be phrased as an instruction to you to make deductions from the employee's net earnings on each pay day and to pay to the court the amount deducted.

ACTION REQUIRED

If the person named in the order is not an employee of your company you must notify the court promptly. Failure to do this could lead to you prosecution.
If the named person is an employee you must make deductions from the employee's earnings and pay the amount deducted to the court, provided net earnings do not fall below the protected earnings level. Details of how to send the payment, and by when, should be enclosed with the order.
Orders can have an additional (optional) deduction (£1 per order 2009/10) made to the employee to cover the employers administration costs. Moorepay can set this as part of your company parameters. If required please contact the Helpdesk.
If after the commencement of deductions the employee leaves your employment, you must tell the authority promptly. Failure to notify the authority may result in prosecution.

TYPES OF ORDER

There are six distinct types of Court Order, and these can be identified in the system by the following codes:

'P' and 'S'

Priority Orders, made under the ''Attachment of Earnings Act 1971''. Type ''S'' need only be used where the Child Support Agency has acted in the place of a court, and a distinction is required for analysis purposes. If no such analysis is required, use ''P''.

'C' and 'F'

Council Tax and Fines Orders - A scheme was introduced in 2004 to encourage Magistrates to use AEO's for the recovery of criminal fines. Previous AEO's for fines were fixed rate deductions with a Protected Earnings rate and set up as Priority Orders, however these new style orders follow a percentage deduction the similar to Council Tax Orders.

'R' and 'Q'

Scottish Court Orders - Type ''R'' are ''Earnings Arrestment Orders'', and are deducted by reference to a table. Two tables are used, depending on the date of the order (pre-30/11/95 or 30/11/95 and later).
Type ''Q'' Orders are ''Maintenance Arrestment Orders'', and are deducted in accordance with the amount entered when setting up the order. Order amounts to be deducted are often notified on the order as daily amounts. This means that the daily rate will need to be multiplied by the number of days in the pay period (e.g. 7 for weekly payrolls or, say, 30 for monthly payrolls) to determine the order rate that is required. (See Amendment Codes 613/663 below).
Only one type ''Q'' and one type ''R'' can be operated at one time, so any additional orders of the same type must be returned to the court with details of the existing order. For this reason, a third Scottish Order, a 'Conjoined Arrestment Order' (CAO), may be issued to enforce the payment of two or more such debts owed to

different creditors. It is a single piece of paper specifying 'multiple' orders. A CAO replaces any existing ''Q'' or ''R'' orders, but should be returned to the court if a different CAO is already operating. The court should then issue an amendment to the existing CAO. Where a CAO includes debts of different types (both ''R'' and ''Q'') these must be set up as two separate orders so they can follow their respective rules as above.

'N'

Non-priority orders, made under the Attachment of Earnings Act 1971
If you are already making deductions from the earnings of an employee under an AEO, and you are later served with another for the same person, you will have to make deductions for both if the second order was made under the ''Attachment of Earnings Act 1971''. If in any doubt you should seek advice from the court issuing the order.
Under the ''Community Charge (Administration and Enforcement) (Amendment) Regulations, 1993'', any orders dated on or after 1st April 1993 must be dealt with in date order, and the net income used for each order is the net income remaining after the previous order has been deducted.
Operating court orders correctly can therefore be quite complicated. This section describes how to implement an AEO (popularly known as a court order) automatically using the specifically reserved codes. Although the system will calculate the correct deductions and maintain balances, it is important that the user understands the underlying principles so that manual adjustments, for example, can be made correctly.

PRIORITY ORDER

Priority Orders (including Child Support Agency Orders) and Council Tax Orders (as defined above) take precedence over Non-Priority Orders for allocation of deductible earnings. Deductions must be made on every pay day until the employee leaves your employment, or until the authority tells you that the order has been discharged and that further deductions do not have to be made, or (more rarely) a total amount mentioned in the order has been paid to the authority.
Priority Orders and Child Support Agency Orders must be deducted on every pay day where sufficient deductible earnings are present. Any shortfall in the AEO amount must be carried forward for collection on the next pay day, or when deductible earnings permit. Any shortfall in protected earnings must also be carried forward and made up on a cumulative basis before deductible earnings are calculated.

COUNCIL TAX ORDER

These orders will be dated on or after 1st April 1993. A deduction must be made on every pay day until the employee leaves your employment, or until the authority tells you that the order has been discharged and that further deductions do not have to be made, or a total amount mentioned in the order has been paid to the authority.
The amount to be deducted is a percentage of net pay, varying according to the amount of attachable earnings remaining at that point in the sequence. There are no protected earnings.

FINES

These orders for Fines operate in a similar way to Council Tax AEO's but have a different table of rates and bands. The amount to be deducted is a percentage of net pay, varying according to the amount of attachable earnings remaining at that point in the sequence. There are no protected earnings. It shows as Court Fines AEO on reports.

NON PRIORITY ORDER

The deduction must be made on every pay day until the employee leaves your employment, or until the authority tells you that the order has been discharged and that further deductions do not have to be made, or a total amount mentioned in the order has been paid to the authority.
Non-Priority orders must be deducted on every pay day where sufficient deductible earnings are present. Any shortfall in the AEO amount on a particular pay day is not carried forward. Any shortfall in protected earnings is not carried forward.

DEFINITIONS

Attachable Earnings: Gross Pay less N.I. less Tax less regular Superannuation, less orders of a higher priority (e.g. orders with a higher priority and earlier date).
Protected Earnings: The amount the court has agreed the debtor needs to live on. Any shortfall in Protected Earnings on any pay day must be carried forward to the following pay day, but surpluses are not carried forward.

- **Deductible Earnings:** Attachable Earnings less Protected Earnings.

- **Adjusted Net Pay:** Attachable Earnings less Attached Earnings Order (AEO) full amount (or less Deductible Earnings if less).
- **Administration Fee:** see **Action Required** above. The Administration fee cannot be deducted for any AEO that could not be taken. It can be deducted, in effect, from Protected Earnings because the protected level is established prior to the Administration Fee being taken.

PROCESSING SEQUENCE

1) All English Priority Orders, including Child Support Agency, Council Tax Orders and Fines (i.e. those dated on or after 01/04/93), are dealt with next, in date order regardless of the type (‘‘P’’, ‘‘S’’ or ‘‘C’’).
2) Scottish Orders (type ‘‘R’’) in date order.
3) Scottish Orders (type ‘‘Q’’) in date order.
4) Non-priority orders, in date order.

IMPLEMENTING A RECOVERY

The system will allow up to six current Court Orders at one time for one employee. Using the **Permanent Amendments** form implement as follows:

Permanent Amendment Codes Court Order No.						
#1	#2	#3	#4	#5	#6	New Content
610	620	630	640	650	660	**Priority Type:** Enter ''P'' for a Priority Order, ''S'' for a Child Support Agency Order, ''N'' for a Non-Priority Order, ''C'' for a Council Tax Order, "F" for Fines, "R" for a Scottish Earnings Arrestment Order, or ''Q'' for a Scottish Current Maintenance Arrestment Order. An entry of ''D'' will delete all entries for that order, and report ''Amendments Out'' on the payroll balance control for any outstanding balances.
611	621	631	641	651	661	**Date of Order:** Enter the order date in the format DDMMYY. This will be used to sequence orders as described earlier. It will also be used on Scottish type ''R'' orders to determine which table is to be used for look-up, so it is important that this date is accurate.
612	622	632	642	652	662	**Court Reference:** Enter up to 10 characters to identify the AEO. This will appear on the payroll and on the (optional) Court Order Analysis.
613	623	633	643	653	663	**Order Rate:** Enter the normal amount to be deducted each pay period. On Scottish type ''Q'' orders, this is often notified on the order as a daily amount. This means that the daily rate will need to be multiplied by the number of days in the pay period (e.g. 7 for weekly payrolls or, say, 30 for monthly payrolls) to determine the total per period. Not required on Types ''C'', "F" or ''R''.
614	624	634	644	654	664	**Protected Earnings:** Enter the Protected Earnings amount per pay period associated with the Order. On Scottish type ''Q'' orders, this is often notified on the order as a daily amount. This means that the daily rate will need to be multiplied by the number of days in the pay period (e.g. 7 for weekly payrolls or, say, 30 for monthly payrolls) to determine the protected earnings amount that is required for each period. Not required on Types ''C'', "F" or ''R''.
615	625	635	645	655	665	**Order Total:** Where an Order defines the total amount to be deducted, enter it here. When the accumulated deductions for this order reach this total, the system will automatically delete the Order, adjusting the final deduction where necessary.

The system will then recover the appropriate amount for each order, with automatic checks on Deductible Earnings where appropriate. Orders will be processed in the sequence as described above.

OUTPUT PRESENTATION

The deduction for each of the six possible court orders will show on the payslip as AEO/1, AEO/2, AEO/3, AEO/4, AEO/5 and AEO/6 respectively.
Any amount of deduction for a priority order that is deferred will show as an accumulative balance under description codes DEFD1, DEFD2, DEFD3, DEFD4, DEFD5 and DEFD6, as appropriate.
Similarly, shortfalls in Protected Earnings will accumulate under the descriptions DEFP1, DEFP2, DEFP3, DEFP4, DEFP5 and DEFP6.
All the above are cumulative, and **Manual Payments/Cancellations** should quote the appropriate description.
Administration charges are non-cumulative, and appear under the description AEOADM.

PAYROLL AUDIT

As the calculation of Court Order deductions can be extremely complex for individuals with several orders and perhaps a holiday period involved, a section will be printed on the payroll for those employees with such deductions, for reconciliation or manual payment purposes.
For example, the payroll audit entry for Bailey is as follows:

Hours	Rate	Payments		- To date	Deductions	To date	Memoranda		- To date	SSP avg	Pay type	Norm hrs	Tax cd	NI number	Letter
151.40	20.604	BASIC	3125.00		NI	188.10	564.30	*TAXPAY	3357.42	9190.74	H(H/H)	S/Y	35.00	K247	JR240747D A
4.00	20.604	O/T 1	82.42		TAX	1030.94	2740.00	NILEL	286.00	858.00					
		BONUS	150.00		SOCIAL	10.75		NIET	75.00	225.00					
					AEO/1	47.50	47.50	NIUEL	1806.00	5418.00					
					AEOADM	1.00		NIERS	365.51	988.93					
155.40			3357.42			1278.29		*SSPAVG	723.93			45	MR MA BAILEY		2079.13T

AEOADM fee	Order Amount deducted	Deducted to-date	Order total	Type	Order date	Court ref	Order rate	Protect rate	Tax pds	CourtNet earnings	Holiday earnings	Warning
1.00	AEO/1 47.50	47.50	2710.00	P Priority order	18/05/99	AB12345678	47.50	950.00	1	2138.38		

The left-hand section shows the amounts actually deducted, the cumulative deductions to date, and the details of the original order, including the Order Total. On the right-hand side is shown the number of tax periods used in the calculation of the result, the computed net earnings used for each court order in turn, and the computed net holiday earnings on which any holiday period court orders were based. Finally, warnings are shown with any amounts of brought forward and/or carried forward protected earnings or deductions.

REPORTS

A special report is available, on request, for summarising Attachment of Earnings Orders. The report can look something like this:

M-0025 MOOREPAY DEMONSTRATION COMPANY 2 EXAMPLE - ATTACHMENT OF EARNINGS ORDERS Jun 1999 (3) Run date:17/06/1999 Page 1

Empno	Name	Date left	Manl adj	Order	T y	Order date	Court reference	Order rate	Protect rate	Tax pds	Net earnings	Warning	Amount deducted	Deducted to-date	Order total	AEOADM fee
45	BAILEY MA			AEO/1	P	18/05/99	AB12345678	47.50	950.00	1	2138.38		47.50	47.50	2710.00	1.00
													47.50			

In this second example, the Court Orders are more complex, with several orders involved, and deferments.

W-0001 DEMONSTRATION COMPANY 1 COURT ORDER AUDIT 16/07/99 (15) Page 1
Dept 6

Empno	Name	Date left	Manl adj	Order	T y	Order date	Court reference	Order rate	Protect rate	Tax pds	Net earnings	Warning	Amount deducted	Deducted to-date	Order total	AEOADM fee
0141	SPENCER W			AEO/6	C	20/11/92	FL/78633	0.00	0.00	1	243.15		41.33	74.35	0.00	2.00
											See input list **					
				AEO/2	P	01/01/93	HHH09876	6.50	100.00		201.82		0.00	0.00	0.00	
											Under Prot level					
											138.76 bf prot +					
											36.94 prot dfrd					
											6.50 bf dedn +					
											13.00 dedn dfrd					
				AEO/5	C	01/03/93	BRA/543	0.00	0.00		201.82		34.30	53.64	0.00	
											See input list **					
				AEO/1	N	01/01/93	XXX65432	4.00	200.00		167.52		0.00	0.00	100.00	
											Under Prot level					
0142	BROWN RM			AEO/3	S	01/04/93	BR9876	50.00	200.00	1	128.64		0.00	50.00	0.00	
											Under Prot level					
											71.36 prot dfrd					
											50.00 dedn dfrd					
0142	BROWN RM		14-P	AEO/3	S	01/04/93	BR9876	50.00	200.00	0			50.00	50.00	0.00	
0142	BROWN RM		14-C	AEO/3	S	01/04/93	BR9876	50.00	200.00	0			0.00	0.00	0.00	
											71.36 bf prot +					
											50.00 bf dedn +					
											=======					
											125.00					

APPENDIX F P11D RETURNS

INTRODUCTION
The Moorepay service includes an option to produce draft P11Ds which shows benefits-in-kind received by employees.

BENEFITS
Such benefits include company cars and fuel made available for private use, medical insurance, travelling and any other expenses or payments made by the company that are considered to be a benefit 'in kind' to those employees.

HMRC DISPENSATION

Users should be aware of the potential for negotiating dispensations with HMRC, as this can often simplify the requirements for themselves and the employees.

PRINTED P11D's
The P11Ds are printed at the same time as your end-of-year returns, as draft copies, taken from the actual P11D from HMRC. For many employees, the draft copy will represent the final P11D submitted to the revenue. For others, there may be adjustments to be made from information held outside the payroll system, or not available in the time scale permitted. Items such as beneficial loans are left for completion by the employer. It is the employers' responsibility to send the P11Ds to HMRC by the 6th July each year and to give a copy to the employee and to keep a copy for employer records.

P11D SCHEDULE
On the Moorepay system, a P11D Schedule will be produced automatically at year end to support the P11Ds. This will be presented in the same order as the payroll, with appropriate department and pay station page throws. All employees will be listed, with an indicator showing whether a P11D will be printed, and also highlighting those employees with a reminder flag (P11D query). A P11D schedule can be requested throughout the tax year (by entry of Action Record 'P11D'). Class IA National Insurance the report will also show the calculated employer's National Insurance for car and fuel benefits.

EXAMPLE P11D SCHEDULE

M-0025 MOOREPAY DEMONSTRATION COMPANY — P11D SCHEDULE FOR TAX YEAR 99/00 — Run date: 17/06/1999 Period 3 — Page 1
Dept 1010 MANAGEMENT/CON'TANTS

Empno.	Name	NI Number	Date Joined	Gross pay	P11D query	Car made available	with-drawn	Para	Descr	Amount	P11D
23	TAYLOR J MR	DF299878B	01/08/84	16559.98		Director NI Status					YES
						1 01/05/98		Registration No.	A321 BXY		
								Make	FORD		
								Model	GRANADA		
								1st Registered	01/05/84 OVER 4 YEARS		
								Mileage Scale	2 (2500+)		
								List Price	12000		
								Petrol/diesel	P		
								Private Fuel	N		
								Cylinder capacity	00(<=2000 CC)		
								Car Benefit	1867.00		
						Total Benefit for Class 1A				1867.00	NI = 186.70
69	ANDERSON J MRS	GF765765C	10/09/85	17249.99							NO

Having read the guides, you will be able to identify those elements of pay that will need to be reported on the P11D. Some may already exist on the Moorepay payroll files such as expenses, however you may need to show Company Health Schemes etc. However, there may be other benefits that are not currently reported on the payroll files because they form no part of either salary or PAYE. These may be added to the system to complete the P11D by contacting the Moorepay Helpdesk.

PROCEDURE
Your next step will then be to make a full list of those benefits that need to be reported on the P11D and to telephone the Helpdesk to discuss.

Motor vehicle and fuel benefits: These benefits are not entered as monetary allowances, but reported on a special input form, CAR NOTIFICATION, from which the benefits are calculated. For each employee, details of up to four company cars may be held in the record in any one tax year. Each car is identified in the system by a sequence number from 1 to 4. Cars details may be added, amended or deleted.

ADDING NEW CARS

Mandatory information for each car includes:
The date from which the car was made available; the make; the cc scale; the CO2 emissions; the date of first registration; the list price; whether private fuel is provided to the employee; whether private fuel costs are 'made good' by the employee (i.e. properly accounted for and fully repaid); and fuel type/power.
If 'Made Good' is entered as 'Y', it is assumed that a contractual requirement exists and that the employer has set up a suitable system to monitor the private usage and account for 100% repayment of the costs. This will then produce on the P46 (Car) Fuel for private use = No'. If the employee does not 'make good' the mileage costs, this indicator should be re-set to 'N' so that the Fuel scale benefit can be charged.

P11D TOTALS

M-0025 MOOREPAY DEMONSTRATION COMPANY P11D SCHEDULE FOR TAX YEAR 99/00 Run date: 17/06/1999 Period 3 Page 3

Empno.	Name	NI Number	Date Joined	Gross pay	P11D query	Car made available	with-drawn	Para	Descr	Amount	P11D

COMPANY TOTALS FOR APM (ALTERNATIVE PAYMENT METHOD)

NO. OF EMPLOYEES	13	CAR BENEFIT	1867.00
NO. OF P11D's	1	FUEL BENEFIT	0.00
NO. OF CARS	1	CAR & FUEL BENEFIT	1867.00
		CLASS 1A NI CONTRIBUTION	186.70 RATE = 10.00 %
		SUM OF INDIVIDUAL CLASS 1As	186.70 MAY DIFFER DUE TO ROUNDINGS

P46 (CAR) OPTION

To enable users to complete the P46 (Car) forms, an option is available to print a report that shows full car details for any employee with a car addition, deletion or amendment on the payroll run. The report is a Moorepay Copy of P46 (Car) and shows all four cars held in the employee record, along with any reminder flags (P11D queries). For a full set of P46 (Car) documents, this can be achieved by the entry of an Action Record, 'P46C'.

A Car Report is optionally available

M-0025 MOOREPAY DEMONSTRATION COMPANY P46 CAR LISTING Run date: 17/06/1999 Period 3 Page 1

Dept 1010 MANAGEMENT/CON'TANTS

Notification of a car provided for the private use of an employee or a director

Employer's Name MOOREPAY DEMONSTRATION COMPANY — PAYE Reference 999/XXXXXXX
Employee's/Director's name TAYLOR J MR — Employee No. 23 — NI Number DF299878B

Part 1

	Tick
1. The employee/director is first provided with a car which is available for private use	[ ]
2. A car provided to the employee/director is replaced by another car which is available for private use	[ ]
3. The employee/director is provided with second or further car which is available for private use	[ ]
4. The employee starts to earn at the rate of £8,500 a year or more or becomes a director	[ ]
5. A car provided to the employee/director is withdrawn without replacement	[ ]

Part 2 Details of car provided

Car No.	1
Date Made Available	01/05/98
Date Withdrawn	
Registration No.	A321 BXY
Make	FORD
Model	GRANADA
Cylinder Capacity	1401 to 2000 CC (2)
Date 1st Registered	01/05/84 OVER 4 YEARS
Price of Car	12000
Price of Accessories	
Capital Contribution	
Fuel provided for Private Use	NO
Fuel type	Petrol
Annual busines mileage	2500-17999 (2)
Days off the road	

Sum payable (if any) by employee for Private Use of the cars £ _____ a week / a month / a quarter / a year

Declaration

I declare that all particulars required are fully and truly stated according to the best of my knowledge and belief

Signature _____

Capacity in which signed _____

Date _____

APPENDIX H - EDI - ELECTRONIC DATA INTERCHANGE

INTRODUCTION

From April 2011 it is mandatory for all employers to submit starter (P45 & P46) and leaver details electronically to HMRC. Moorepay, regardless of size, offer this option for all clients and will process the submission of the above statutory data via EDI on your behalf. These revenue details will be sent to HMRC ten working days after the payroll has processed.

Remember - You no longer need to post paper copies of P45s or P46s to HMRC.
Inline with the legislation rules issued by HMRC certain fields are now mandatory for all employees. For your payroll to be compliant an employee must have a **date of birth, gender and first & second lines of an** address present in their record.
Failure to include this information on the New Employee notification could result in the employee not being added to the payroll. If you cannot provide this data due to confidentiality reasons you must liaise with your HMRC Account Contact and agree how you will comply with this legislation. If HMRC confirm that you do not need to provide this data through Moorepay then we will require written confirmation from you confirming that you have made alternative arrangements.

P45 - For New Employees:

Part 3 (For completion by new employer) of the incoming P45 will be sent electronically directly to HMRC. All you have to do is complete the appropriate details on the **New Employee** standard notification. If P45 details are submitted at a later date use a **Permanent Amendment Standard** notification and enter change codes as required from the list below:

Change Code	Details	Format	New Content
S15	Document Type	1 chr	Always 5
S26	HMRC Office Number	NNN	
S27	Reference Number	Alpha / Numeric	
S23	Leaving Date	DDMMYY	
S20	Student Loan indicator	1 chr	Y
S28	Tax code at leaving date – Note: A tax code entered against this change code will not be used for the employees tax calculation.	Standard format	
S24	Last pay period	NN	
S25	Type (Weekly or Monthly to indicate the S24 content)	1 chr	W or M
335	Total pay to date	£££££££pp	
336	Total tax to date	£££££££pp	
S11	If the employee is not to be paid by you in the current tax year	1 chr	Y
S29	Actual P45 tax to be applied (i.e. If the tax figure to be used in the calculation is different to the tax figure in box 336)	£££££££pp	
45	Tax code to be used for calculating the employee's tax deduction	Standard format	
S35	Current or Last (i.e. should the P45 figures be used in the Current year calculations or are they Last tax year (memoranda only). If current is indicated the figures against code 335 and 336 will be added and used in the employee's current tax year calculation. If L is indicated these will be treated as memoranda only.	1 chr	C or L

Please note codes being omitted may result in a rejection (see EDI reports) produced with the payroll output.

P45 - For Leavers:

Part 1 (Copy for HMRC) of the P45 will be sent electronically to HMRC, Part 1A, 2 & 3 will be printed and returned with your payroll output as normal so that you can give it to the leaver.

P45 Suppression

If a **Permanent Amendment** (code 09) is entered this will produce a P45 (payroll parameters permitting) (i.e. P45 part 1 will be sent electronically to HRMC and P45 parts 1A, 2 and 3 will be returned to you. To suppress certain parts of the P45 refer to the following guidelines.

Change Code	Details	Format	New Content
I03	No paper or Electronic P45	1 chr	Y
I03	No paper but Electronic P45 required	1 chr	F

P46 Standard

The appropriate information can only be entered when submitting the **New Employee Standard** notification. The details will be sent electronically to HMRC.

Change Code	Details	Format	New Content

S15	Document type	1 chr	Always 6
S22	Statement indicated by employee	1 chr	A or B or C

No P45 or P46

If neither P45 nor P46 information is provided the system will apply a P46 statement C. This action is in accordance with HMRC rules. Note: you are not permitted to submit another P46. Therefore, if a new employee has been processed and the P46 statement is incorrect you will need to contact HMRC.

P46(PEN) - For New Employees:

These details will be sent electronically to HMRC. All you have to do is complete the appropriate details on the P46(PEN) **New Employee** notification. If P46 details are submitted at a later date use a **Permanent Amendment P46(PEN)** and enter change codes as required from the list below:

Change Code	Details	Format	New Content
S15	Document Type	1 chr	Always N
S26	HMRC Office Number	NNN	
S27	Reference Number	Alpha / Numeric	
S23	Leaving Date	DDMMYY	
S28	Tax code at leaving date – Note: A tax code entered against this change code will not be used for the employees tax calculation.	Standard format	
S24	Last pay period	NN	
S25	Type (Weekly or Monthly to indicate the S24 content)	1 chr	W or M
335	Total pay to date – memoranda only. Figures entered against this code will not be used for the calculation of tax.	£££££££pp	
336	Total tax to date – memoranda only. Figures entered against this code will not be used for the calculation of tax.	£££££££pp	
S31	Is the person receiving the pension a recently bereaved spouse or civil partner	1 chr	Y
S32	Amount of Annual pension to be paid (memoranda only). Figures entered against this code will not be used in any calculation of pay.	£££££££pp	
45	Tax code to be used for calculating the employee's tax deduction. This tax code is normally entered with a Week 1 / Month 1 indicator. Refer to the HMRC E13 day to day payroll book.	Standard format	

P46(EXPAT)

These details will be sent electronically to HMRC. All you have to do is complete the appropriate details on the P46(EXPAT) **New Employee** notification. If P46 details are submitted at a later date use a **Permanent Amendment P46(EXPAT)** and enter change codes as required from the list below:

Change Code	Details	Format	New Content
S15	Document type	1 chr	Always E
S22	Statement indicated by employee	1 chr	A or B or C
S20	Student Loan indicator	1 chr	Y
S33	EEA/CC Indicator	1 chr	Y
S34	EPM6 indicator	1 chr	Y

Note: The P46(EXPAT) details must be entered at the same time as setting up the New employee. If late notification is received you will need to file the document by FBI and write to HMRC.

P6T and P9's

If you receive a P6T or a P9 enter the following codes on a Permanent Amendment:

Change Code	Details	Format	New Content
335	P45 pay	£££££££pp	
336	P45 Tax	£££££££pp	

45	Tax code	Standard format	
22	NI Number (if not already present in the employees record)	AANNNNNNA	

EDI P45 and P46 Reports

These reports are provided as part of the payroll output and provide details of the information submitted to HMRC. The reports are as follows:

- P46 Starter – this shows details of joiners in the current tax period with a P46.
- P45 Starter – this shows details of joiners in the current tax period with a P45.
- P45 Leaver – this shows details of leavers in the current tax period who have had a P45 produced,

Warnings and Rejections

If there are any rejections, the report will show file rejection under the 'Action' heading. For example if a rejection shown is for one employee on the EDI P46 starter report, the whole file will reject for all employees on that report. The only way to correct the file would be to rerun. Alternatively you can submit this information to HMRC via FBI. Please contact the Moorepay helpdesk for further advice.

FREQUENTLY ASKED QUESTIONS

Q. What if the tax district and/or tax reference is missing or unreadable on an incoming P45?
A. The system will default the tax district to 001 and the reference to XXX

Q. What happens if I do not complete the mandatory fields?
A. We will try to contact you, time permitting, to request the missing data. If we are unable to contact you and time is critical the employee will not be processed/paid – we will notify you if this is the case.

Q. What if the P45 Pay and/or Tax figure input was incorrect?
A. Amend the P45 figure(s) on your next input using a **Permanent Amendment**. You will also need to write to your dedicated tax office notifying them of the details and the corrective action you have taken.

Q. What if the details on the P45/P46 are incorrect e.g. N.I. Number, Home Address?
A. Amend the incorrect fields on your next input using a **Permanent Amendment. You will** also need to write to your dedicated tax office notifying them of the details and the corrective action you have taken.

Q. What if I make the wrong employee a leaver?
A. Re-instate them (see **SECTION 2 – LEAVERS AND REINSTATEMENTS**) and write to your dedicated tax office notifying them of the details and make the correct employee a leaver on the next payroll run.

Q. What if I have forgotten to input the Student Loan indicator from the P45
A. Enter it on the following payroll input (see **Appendix L – STUDENT LOANS**)

Q. How can I be sure my employee details will be submitted securely to HMRC
A. Files are submitted to HMRC in accordance with their submission guidelines via EDI using SFTP for security.

APPENDIX L - STUDENT LOAN DEDUCTIONS

GENERAL

Student Loans are part of the Government's financial support package for students carrying out a course of higher education in the United Kingdom. They are available to help students meet their expenses From April 2000 the Inland Revenue is responsible for collecting repayments of Student Loans in the majority of cases.

The loans will however continue to be administered by the Student Loans Company. These new procedures apply to all loans made to new borrowers after August 1998.
In the majority of cases the employer will collect these repayments by making deductions from pay. As an employer you are responsible for making deductions of Student Loan repayments from an employee's earnings when directed to do so; maintaining records of the amounts of the deductions you have made; paying the Student Loan deductions over to the HMRC with supporting documentation; and providing the borrower, on his or her wage slip, with details of the amounts of Student Loan repayments deducted. You must also identify on a form P45, in respect of an employee leaving your employment, if that employee is making Student Loan repayments.
For full details and current limits and regulations, please refer to the HMRC website.

MAKING DEDUCTIONS

If you receive a Start Notice form SL1, from the HMRC this will identify the employee and will be your instruction to start making Student Loan deductions. The notice will give a start date at least six weeks from the date of issue. You must begin making deductions on the first pay day after that date. Alternatively if you receive a P45 from a new employee with a tick in the Student Loan box you should activate the Student Loan Deduction immediately.
To activate Student Loan Deductions for an employee, use the **Permanent Amendment** form to amend code S20 to "Y". The Moorepay system will then make all the necessary calculations and generate the appropriate deduction on the payslip with due reference to any outstanding Court Orders, the minimum earnings limit, and the employee's National Insurance status. They will appear on the payslip as Student Loan with a short description of STUDNT.
If a loan is not deducted in any pay period, a suitable comment will appear on the payroll next to the Student Loan status indicator, e.g. below earnings threshold, suspended by council tax AEO etc.
The calculation of a Student Loan deduction is non-cumulative and therefore will be calculated according to each individual period's pay and not by reference to previous periods. Refunds can only be made if the employer has made a mistake and not, for example, if earnings in a subsequent period are below the threshold.
The employee's Student Loan status (if it has been amended to Y using code S20) will appear on the payroll on the right in the Other Details section.
If an employee leaves with a student loan in place the Student Loan box on the printed P45 supplied by Moorepay will ticked. If you are manually raising your own P45 please remember to tick the Student Loan box.
STUDNT will print on the payroll returns totals under a new section called Net Tax under the P30B heading, and form part of the return to the HMRC.
Total deductions for the tax year will be returned on the P14 for individual employees. The balance of STUDNT will be automatically cleared at tax year end.

STOPPING DEDUCTIONS

You will receive a Stop Notice form SL2, from the Inland Revenue. The notice will tell you when to stop making SL deductions. This is done by amending code S20 to N on the **Permanent Amendment** form.

APPENDIX Z - EOY – END OF YEAR TAX RETURNS

IMPORTANT

All employers are obliged to submit annual returns of Tax, N.I., SSP and SMP to the Inspector of Taxes no later than the 19th May following the tax year end on 5th April.

You must be registered with HMRC for this process. The following printed documents are provided by Moorepay:

P60 Produced for all live employees i.e. any employee without a date of leaving in the record

EDI End of Year Reconciliation Providing totals of all figures sent via EDI for each payroll

EDI End of Year P35 figures Providing the figures that you will need to enter when submitting your P35 online And Optionally:

Record Prints Full set of End of Year employee record prints, for all employees live and leavers.

Reports End-of-year analysis reports;
The purpose of the EOY return is to balance payments made to the Revenue against payroll records. HMRC are then able to check the detailed information to ensure that individual contributions are correct.
As the employer, it is your responsibility to check that the total figures for the tax year agree with the amounts paid to HMRC.
It is also your responsibility to file the P35 online by 19th May. It is not possible for Moorepay to do this on your behalf as it is the 'Employers Declaration' and only you can verify the figures.

Failure to meet this deadline could result in the HMRC issuing financial penalties.

REGISTERING WITH HMRC

Details of the registration process can be found by accessing, www.hmrc.gov.uk and select '**Do it online**' then '**PAYE for employers'.** Register as a 'New User' under the category 'Organisation – PAYE Online for Employers'

To assist you, Moorepay can provide a one page guide on how to register. We can also able to provide additional guidance of how to complete your P35 Employers Annual Return declaration online. Please email eoy@moorepay.co.uk.
By registering for the PAYE Online Service your Company will automatically receive statutory notices (e.g. Tax Code changes) and reminders over the Internet. If you prefer to continue to receive paper or information via another source, you must contact HMRC e-business helpdesk. If you do not switch the Internet option off please check your mailbox regularly.
When you receive your Activation PIN, it is only valid for 28 days. If it is not activated within this period you will need to enrol again and we therefore recommend you activate your details immediately.
All information supplied within the registration process must be your own 'Company' details i.e. do not provide any details about Moorepay.
Ensure that User ID and Password details are recorded safely. In the event of staff changes within your Company ensure these details are passed on to the new recipient.
The registration is between your Company and HMRC therefore Moorepay will be unable to assist you with any problems regarding your registration e.g. loss of User ID and Password details.
When you have completed your online registration, there is no need to contact the Moorepay helpdesk as your company parameters have been set to automatically produce the 'End of Year' electronically.

TIMETABLE OF EVENTS

ONE MONTH PRIOR TO END OF YEAR

Approximately one month before the last payroll run of the tax year you will receive an End of Year Information Pack containing important reminders. Included will be a print of your Company Parameter details to be used on the end-of-year returns. **You must check immediately that these details are correct as they will be used for your end-of-year documents.** Any amendments must be written clearly on the sheet provided and returned to the Moorepay Helpdesk immediately. The details will be repeated on the run for Week 52 / Month 12 for final checking.

INPUT FOR WEEK 52 / MONTH 12

Week 52/Month 12 is a normal payroll run please process normally taking in to account the following points:
1) Check all employees' records on the payroll to ensure that as much data is held as possible, i.e.: name, address, NI number, gender, and date of birth are crucial.

2) Do not put employees on advance holiday
3) Do not send data relating to the new tax year (e.g. new tax codes).

OUTPUT FOR WEEK 52 / MONTH 12

1) Check that any amendments to your company end of year details have been carried out correctly.
2) Prepare any adjustments for the final end-of-year adjustment run.

FINAL END-OF-YEAR ADJUSTMENT RUN

Following your payroll run for Month 12 or Week 52/53, the system will accept ''final'' adjustments on a special end-of-year adjustment run. You will have received an End-of-Year instruction sheet prior to this run. Please ensure that you take the time to read the details contained within the information pack and adhere to any instructions and deadlines given.

1) If you have any adjustments to be included in the end-of-year run, they MUST be sent accompanied by the ''Special EOY Header'' that was enclosed with the End-of-Year Information Pack.
2) Only amendments to the master file are allowed, i.e. New Employees, Permanent Amendments, Manual Adjustments and P46 Car details. DO NOT include Timesheets or Temporary Adjustments. You must not make entries that would normally result in a payment or deduction on the current payslip as this end-of-year run is a ''non-processing'' run therefore no calculations are made.
3) Employee transfers are not allowed in this adjustment run.
4) Adjustments must be received by the deadline quoted on the end-of-year instruction sheet, however please send earlier where possible.
5) No customised Analysis/Reports or Exported Data Files will be produced automatically on the EOY adjustment run. If you require either of these Action Records must be entered on the special EOY header, please contact the Moorepay Helpdesk to discuss if necessary.

AUTOMATIC PRODUCTION OF END-OF-YEAR DOCUMENTS

P60s are printed in the same order as the payroll.
In addition to clearing appropriate balances, the following actions will be taken in preparation for the new tax year:
Leavers will be purged from the file.
Suspended employees will be reset to normal, unless suspended indefinitely 'Suspended 60'.
Directors on partial year status will be reset accordingly.

RECEIPT OF END OF YEAR DOCUMENTS

1) CHECK (using the final Balance Control) that the total amount paid to the Revenue agrees with the total of:
(a) Current Employment Tax, and
(b) Total N.I. (less any recoverable SSP and SMP)
2) Go online and complete the P35 by 19th May using the summary provided but remembering to add to the figures any payrolls which are not processed on the Moorepay system and file on-line (see Registering with HMRC below).
3) If you have had employees with Student status during the current tax year, each Student will need to complete and sign a 'Student Declaration' form (P38S). This is held on file until end-of-year and submitted with the other returns.
4) P60s must be handed to each employee who was still employed by you at the end of the tax year. Any remaining (e.g. for employees who have left but had no date of leaving in the record) should be destroyed and remember to amend the date of leaving on the next payroll run.
5) The Revenue will also require completion of:
P9D: Expenses and benefits return form for employees earning less than £8,500 p.a.
P11D: Expenses and benefits return form for employees earning more than £8,500 p.a. (Moorepay can produce a draft P11D for you - see **APPENDIX F – P11D**)
P38A: Employer's supplementary return, completed for every employee who has not had either a P14 or P38S please refer to HMRC website for detailed information.
To facilitate completion of P9Ds and P11Ds (if not being produced by Moorepay), a report 'Total Pay for P11D Information' could be produced in, say, 'Gross Pay to Date' order, showing 'tax free' payments (where balances are being held) made during the year. Please contact the Helpdesk before the End-of-Year adjustment run if this is required.
6) File all remaining paperwork in your payroll file for the tax year just completed. This provides a full audit for future reference.

MONTH 1 / WEEK 1 PROCESSING

1) All Month 1/Week 1 tax codes on file will be converted to CUMULATIVE status. Where appropriate, following any budget changes, new tax tables will be applied and/or tax codes uplifted. New tax codes notified on this run will NOT be uplifted automatically.
2) Remember to notify the Helpdesk with any changes to the company parameters needed for the first run of the new tax year.
3) DO NOT send input relating to Week1 / Month1 earlier than Week 1 or Month 1.

END-OF-YEAR ANALYSIS

If you require any analyses to be printed with your returns, they must be set up as being automatic with end-of-year.
If you have ‘‘NONE’’ specified, you may be interested to know that we can produce listings of any information that you may require from the end-of-year file (in any order) in a convenient format. If you would like any listings with your returns please contact the Helpdesk.

RECORD CARDS

Employee Record Cards can be produced automatically at the ‘End of Year’ as follows:
1) With the end-of-year run. This set of record cards will include all leavers, and all final balances
2) On the first run of the new tax year. This set of record cards will only include live employees carried forward from the ‘End of Year’ run and will show the week 1/ month 1 balances.
3) On both ‘End of Year’ and the first run of the new tax year.
Your chosen option is printed on the Company Control sent to you prior to the ‘End of Year’ run. Please check to ensure you have the required option set correctly, if not contact the Moorepay Helpdesk.